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See Pg 46

**SEABOARD AIR LINE RAILROAD COMPANY**  
**TO**  
**MERCANTILE TRUST COMPANY OF BALTIMORE**  
**AND**  
**NELSON H. STRITEHOFF**

*Trustees*

\_\_\_\_\_  
**First Mortgage**  
\_\_\_\_\_

DATED AS OF JANUARY 1, 1946

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THIS INDENTURE, dated as of January 1, 1946, between SEABOARD AIR LINE RAILROAD COMPANY, a corporation organized and existing under the laws of the Commonwealth of Virginia, hereinafter called the "Company", party of the first part, and Mercantile Trust Company of Baltimore, a corporation organized and existing under the laws of the State of Maryland, and Nelson H. Stritehoff, hereinafter together called the "Trustees", parties of the second part;

WHEREAS, the Company is a corporation duly organized under the laws of the Commonwealth of Virginia for the purpose of acquiring lines of railroad and other property formerly owned and/or operated by Seaboard Air Line Railway Company, a corporation of Virginia and other states (hereinafter called the Old Company), and certain other lines of railroad and properties, pursuant to a plan of reorganization of the Old Company approved by the District Court of the United States for the Eastern District of Virginia and by the District Court of the United States for the Southern District of Florida by orders dated, respectively, December 10, 1943, and December 14, 1943, as modified in accordance with subsequent orders of said Courts (said plan of reorganization as so modified being hereinafter called the Plan of Reorganization) and

WHEREAS, pursuant to a Final Decree of Foreclosure and Sale dated April 12, 1945, entered by said Courts in certain proceedings therein pending for the foreclosure of certain mortgages secured by liens on the property of the Old Company, certain property of the Old Company and its Receivers was duly sold as therein provided; and

WHEREAS, pursuant to a Final Decree of Foreclosure and Sale dated July 18, 1944, entered by the District Court

of the United States for the Southern District of Florida in certain proceedings therein pending for the foreclosure of a mortgage on property of Seaboard-All Florida Railway, Florida Western & Northern Railroad Company and East and West Coast Railway, the property subject to the lien of said mortgage was duly sold as therein provided; and

WHEREAS, the Company has acquired the lines of railroad and certain other property sold at the sales referred to in the two preceding paragraphs, and has also acquired other property, all pursuant to and in accordance with the Plan of Reorganization; and

WHEREAS, the Plan of Reorganization provides for the execution by the Company of a mortgage therein referred to as the "First Mortgage" to secure bonds therein referred to as "First Mortgage Bonds", and in order to carry out said provision of the Plan of Reorganization the Company has duly determined to execute and deliver this Indenture; and

WHEREAS, pursuant to the Plan of Reorganization, the Company, simultaneously with the execution of this Indenture, has executed and delivered to Guaranty Trust Company of New York and Arthur E. Burke, as Trustees (hereinafter called the General Mortgage Trustees), its Indenture of Mortgage dated as of January 1, 1946 (hereinafter called the General Mortgage), to secure bonds of the Company issued and to be issued under the General Mortgage; and

WHEREAS, the General Mortgage constitutes a lien upon the properties and franchises therein described (being the property and franchises hereinafter described), subject only to the lien of this Indenture and other liens therein expressly set forth; and



WHEREAS, the Reorganization Committee, designated pursuant to the Plan of Reorganization, has approved the form and terms of this Indenture and said Courts have approved the form and terms of this Indenture and have directed the Company to execute and deliver this Indenture; and

WHEREAS, the Company is duly authorized to issue its Bonds for the purposes herein set forth and to mortgage its property, real and personal, and its franchises to secure the payment of such Bonds; and

WHEREAS, the Board of Directors of the Company has duly authorized the issue of Bonds of the Company as provided for in this Indenture and the execution and delivery by the Company of a mortgage or deed of trust upon the properties of the Company, substantially in the form of this Indenture, to the Trustees and their successors, to secure Bonds issuable from time to time for the purposes and upon the conditions herein set forth; and

WHEREAS, the execution and delivery of this Indenture have been duly authorized by the holders of record of all of the outstanding stock of the Company; and

WHEREAS, the Bonds are issuable in series and in the case of each particular series, other than Series A, the designation of the series, the form or forms, date or dates, date of maturity, rate of interest, interest payment dates, denominations, redemption provisions, if any, sinking fund provisions, if any, and conversion privileges, if any, of the Bonds of such series, and any limitation upon the aggregate principal amount of the Bonds of such series, as well as such additional provisions as are required or permitted by this Indenture, are to be determined by the Board of Directors of the Company at the time of the authorization of such series and specified in an indenture supplemental hereto as hereinafter provided; and

WHEREAS, the texts of the coupon and registered Bonds of Series A and of the coupons to be attached to coupon Bonds of Series A, and of the Corporate Trustee's certificate of authentication to be executed on all of the Bonds are to be, respectively, substantially as follows, with such appropriate insertions, omissions, substitutions and variations as are provided for in this Indenture:

[FORM OF SERIES A COUPON BOND]

No..... \$.....

SEABOARD AIR LINE RAILROAD COMPANY

FIRST MORTGAGE 4% BOND, SERIES A,  
due January 1, 1996

Seaboard Air Line Railroad Company, a corporation organized and existing under the laws of the Commonwealth of Virginia, hereinafter called the "Company," for value received, hereby promises to pay to the bearer, or, if this Bond be registered as to principal, to the registered owner hereof, on the first day of January, 1996 (unless this Bond shall have been called for earlier redemption and payment thereof duly provided for), Dollars (\$ ), and to pay interest on said principal sum from the date hereof, at the rate of four per cent. (4%) per annum, semi-annually, on the first day of January and the first day of July in each year, until said principal sum shall have been paid, or payment thereof duly provided for, but, until the maturity hereof, only upon presentation and surrender of the attached coupons for such interest, as they severally mature. The Company will pay, as provided in the Indenture hereinafter referred to, interest on any interest which shall become due and payable on this Bond, but shall not be paid or duly provided for. The principal of and interest on this Bond are payable at the office or agency of the Company in the Borough of Manhattan, City and State of New York, or, at

signature of its Treasurer, to be attached hereto, as of  
January 1, 1946.

SEABOARD AIR LINE RAILROAD COMPANY

By .....  
Vice President.

Attest:

.....  
Assistant Secretary.

[FORM OF INTEREST COUPONS FOR BONDS OF  
SERIES A]

No..... \$.....

On the 1st day of , 19 , unless the  
Bond hereinafter mentioned shall have been called for  
earlier redemption and payment duly provided for, Sea-  
board Air Line Railroad Company will pay to the bearer,  
upon surrender of this coupon, at the office or agency of  
the Company in the Borough of Manhattan, City and State  
of New York, or, at the option of the bearer, at the office or  
agency of the Company in Norfolk, Virginia,

dollars, in such coin or cur-  
rency of the United States of America as at the time of  
payment shall be legal tender for the payment of public  
and private debts, being six months' interest then due on  
its First Mortgage 4% Bond, Series A, due January 1,  
1996, No.....

Treasurer.

## [FORM OF SERIES A REGISTERED BOND]

No..... \$.....

## SEABOARD AIR LINE RAILROAD COMPANY

FIRST MORTGAGE 4% BOND, SERIES A,  
due January 1, 1996.

Seaboard Air Line Railroad Company, a corporation organized and existing under the laws of the Commonwealth of Virginia, hereinafter called the "Company," for value received, hereby promises to pay to

, or registered assigns, on the first day of January, 1996 (unless this Bond shall have been called for earlier redemption and payment thereof duly provided for), the principal sum of                      Dollars

( \$                      ), and to pay interest on said principal sum, from the date hereof, at the rate of four per cent (4%) per annum, semi-annually on the first day of January and the first day of July in each year until said principal sum shall have been paid, or payment thereof duly provided for. The Company will pay, as provided in the Indenture hereinafter referred to, interest on any interest which shall become due and payable on this Bond, but shall not be paid or duly provided for. The principal of and interest on this Bond are payable at the office or agency of the Company in the Borough of Manhattan, City and State of New York, or, at the option of the registered owner of this Bond, at the office or agency of the Company in Norfolk, Virginia, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Interest on this Bond may be paid by check to the order of the registered owner hereof, mailed to the address shown by the records of the Company.

This Bond is one of Series A of the First Mortgage Bonds of the Company issued and to be issued under and pursuant to, and all equally and ratably secured by, an

indenture of mortgage and deed of trust, herein called the "Indenture", dated as of January 1, 1946, executed by the Company to Mercantile Trust Company of Baltimore and Nelson H. Stritehoff, as Trustees, known as the Company's First Mortgage, to which Indenture and any and all supplements thereto reference is hereby made for a description of the property mortgaged and pledged and the nature and extent of the security, and for statements of the rights of the holders of the Bonds and the rights, duties and immunities of the Trustees thereunder.

The aggregate principal amount of Bonds of Series A which may be outstanding at any time is not limited.

If an event of default, as defined in the Indenture, shall occur, the principal of the Bonds may be declared or may become due and payable, in the manner and with the effect provided in the Indenture.

As more particularly provided in the Indenture, the Bonds of Series A are redeemable before maturity, for the purposes of the Sinking Fund hereinafter referred to or at the option of the Company, at any time, as a whole or in part by lot, upon publication of notice of such redemption once each week for four successive weeks (the first publication to be not less than thirty days nor more than forty-five days prior to the date designated for such redemption) in two newspapers printed in the English language, one of general circulation in the Borough of Manhattan, City and State of New York and one of general circulation in the City of Baltimore, Maryland, and upon payment of the principal amount of the Bonds of Series A to be redeemed, together with all unpaid interest accrued thereon to the redemption date.

The Bonds of Series A are entitled to the benefits of sinking fund payments, as specified in the Indenture, payable out of the Available Net Income of the Company, as provided in the Indenture.

The Indenture permits the amendment thereof and the modification or alteration of the rights and obligations of

the Company and the rights of the bearers or registered owners of the Bonds and the bearers of appurtenant coupons thereunder and hereunder at any time by the concurrent action of the Company and of the bearers or registered owners of not less than  $66\frac{2}{3}\%$  in aggregate principal amount of the Bonds then outstanding, all as more fully provided in the Indenture; *provided, however*, that, except for postponement of interest payments as hereinafter provided, no such amendment, modification or alteration shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon or shall change the percentage of Bonds required to consent to any such amendment, modification or alteration. By concurrent action of the Company and of the bearers or registered owners of not less than  $66\frac{2}{3}\%$  in aggregate principal amount of the Bonds of Series A then outstanding the time of payment of any instalment or instalments of interest on the Bonds of Series A may be postponed until any specified fixed or determinable date or until the happening of any specified contingency, but not later, in any case, than January 1, 1996; *provided, however*, that the number of semi-annual interest instalments, the time of payment of which may be so postponed (including any instalments theretofore postponed and not theretofore paid), may not exceed ten such semi-annual instalments.

This Bond is transferable by the registered owner in person or by duly authorized attorney at the office or agency to be maintained by the Company in the Borough of Manhattan, City and State of New York, upon surrender and cancellation of this Bond as provided in the Indenture and upon payment of the charges therein specified; and upon any such transfer a new registered Bond or Bonds of Series A, for a like aggregate principal amount, will be issued to the transferee.

The Company may close its books for the transfer of the Bonds for a period not exceeding ten days prior to any

signature of its Treasurer, to be attached hereto, as of  
January 1, 1946.

SEABOARD AIR LINE RAILROAD COMPANY

By .....  
Vice President.

Attest:

.....  
Assistant Secretary.

[FORM OF INTEREST COUPONS FOR BONDS OF  
SERIES A]

No..... \$.....

On the 1st day of , 19 , unless the  
Bond hereinafter mentioned shall have been called for  
earlier redemption and payment duly provided for, Sea-  
board Air Line Railroad Company will pay to the bearer,  
upon surrender of this coupon, at the office or agency of  
the Company in the Borough of Manhattan, City and State  
of New York, or, at the option of the bearer, at the office or  
agency of the Company in Norfolk, Virginia,

dollars, in such coin or cur-  
rency of the United States of America as at the time of  
payment shall be legal tender for the payment of public  
and private debts, being six months' interest then due on  
its First Mortgage 4% Bond, Series A, due January 1,  
1996, No.....

Treasurer.

## [FORM OF SERIES A REGISTERED BOND]

No..... \$.....

## SEABOARD AIR LINE RAILROAD COMPANY

FIRST MORTGAGE 4% BOND, SERIES A,  
due January 1, 1996.

Seaboard Air Line Railroad Company, a corporation organized and existing under the laws of the Commonwealth of Virginia, hereinafter called the "Company," for value received, hereby promises to pay to

, or registered assigns, on the first day of January, 1996 (unless this Bond shall have been called for earlier redemption and payment thereof duly provided for), the principal sum of                      Dollars

( \$                      ), and to pay interest on said principal sum, from the date hereof, at the rate of four per cent (4%) per annum, semi-annually on the first day of January and the first day of July in each year until said principal sum shall have been paid, or payment thereof duly provided for. The Company will pay, as provided in the Indenture hereinafter referred to, interest on any interest which shall become due and payable on this Bond, but shall not be paid or duly provided for. The principal of and interest on this Bond are payable at the office or agency of the Company in the Borough of Manhattan, City and State of New York, or, at the option of the registered owner of this Bond, at the office or agency of the Company in Norfolk, Virginia, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Interest on this Bond may be paid by check to the order of the registered owner hereof, mailed to the address shown by the records of the Company.

This Bond is one of Series A of the First Mortgage Bonds of the Company issued and to be issued under and pursuant to, and all equally and ratably secured by, an



indenture of mortgage and deed of trust, herein called the "Indenture", dated as of January 1, 1946, executed by the Company to Mercantile Trust Company of Baltimore and Nelson H. Stritehoff, as Trustees, known as the Company's First Mortgage, to which Indenture and any and all supplements thereto reference is hereby made for a description of the property mortgaged and pledged and the nature and extent of the security, and for statements of the rights of the holders of the Bonds and the rights, duties and immunities of the Trustees thereunder.

The aggregate principal amount of Bonds of Series A which may be outstanding at any time is not limited.

If an event of default, as defined in the Indenture, shall occur, the principal of the Bonds may be declared or may become due and payable, in the manner and with the effect provided in the Indenture.

As more particularly provided in the Indenture, the Bonds of Series A are redeemable before maturity, for the purposes of the Sinking Fund hereinafter referred to or at the option of the Company, at any time, as a whole or in part by lot, upon publication of notice of such redemption once each week for four successive weeks (the first publication to be not less than thirty days nor more than forty-five days prior to the date designated for such redemption) in two newspapers printed in the English language, one of general circulation in the Borough of Manhattan, City and State of New York and one of general circulation in the City of Baltimore, Maryland, and upon payment of the principal amount of the Bonds of Series A to be redeemed, together with all unpaid interest accrued thereon to the redemption date.

The Bonds of Series A are entitled to the benefits of sinking fund payments, as specified in the Indenture, payable out of the Available Net Income of the Company, as provided in the Indenture.

The Indenture permits the amendment thereof and the modification or alteration of the rights and obligations of

the Company and the rights of the bearers or registered owners of the Bonds and the bearers of appurtenant coupons thereunder and hereunder at any time by the concurrent action of the Company and of the bearers or registered owners of not less than  $66\frac{2}{3}\%$  in aggregate principal amount of the Bonds then outstanding, all as more fully provided in the Indenture; *provided, however*, that, except for postponement of interest payments as hereinafter provided, no such amendment, modification or alteration shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon or shall change the percentage of Bonds required to consent to any such amendment, modification or alteration. By concurrent action of the Company and of the bearers or registered owners of not less than  $66\frac{2}{3}\%$  in aggregate principal amount of the Bonds of Series A then outstanding the time of payment of any instalment or instalments of interest on the Bonds of Series A may be postponed until any specified fixed or determinable date or until the happening of any specified contingency, but not later, in any case, than January 1, 1996; *provided, however*, that the number of semi-annual interest instalments, the time of payment of which may be so postponed (including any instalments theretofore postponed and not theretofore paid), may not exceed ten such semi-annual instalments.

This Bond is transferable by the registered owner in person or by duly authorized attorney at the office or agency to be maintained by the Company in the Borough of Manhattan, City and State of New York, upon surrender and cancellation of this Bond as provided in the Indenture and upon payment of the charges therein specified; and upon any such transfer a new registered Bond or Bonds of Series A, for a like aggregate principal amount, will be issued to the transferee.

The Company may close its books for the transfer of the Bonds for a period not exceeding ten days prior to any

interest payment date or at its option may fix a record date not more than twenty days prior to any interest payment date as the date as of which the registered owner of this Bond shall be determined for the payment of interest on such interest payment date. In the event that the Company shall fix a record date, notice thereof shall be given by publication in one newspaper printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York, not later than ten days before such record date.

Title to this Bond shall, to the extent permitted by law, be transferable in the same manner and with the same effect as in the case of a negotiable instrument, and each holder or registered owner of this Bond consents and agrees that delivery by any bearer of this Bond (provided that it shall be duly endorsed) shall vest title to this Bond and all rights and interests represented thereby (other than interest in respect of the payment of which there shall be a record date or a date for closing the transfer books prior to such delivery) in the transferee to the same extent for all purposes as the delivery under similar circumstances of a negotiable instrument payable to bearer; but the Company and the Trustees shall be entitled to treat the registered owner of this Bond as the owner hereof for all purposes, and shall not be affected by any notice to the contrary; and all payments made to or on the order of such registered owner shall be valid and effectual to discharge any liability hereunder in respect of the sum or sums so paid.

Registered Bonds of this Series A are issuable in denominations of \$1,000, \$5,000 and \$10,000, and, with the consent of the Company, may be issued in denominations in excess of \$10,000. The several denominations are interchangeable upon presentation thereof for that purpose at the office or agency of the Company in the Borough of Manhattan, City and State of New York, and upon payment of charges, all as provided in the Indenture. Registered Bonds of Series A, in principal amounts aggregating

\$1,000 or a multiple thereof, may be exchanged at said office or agency for one or more coupon Bonds of Series A, of the denomination of \$1,000, for a like aggregate principal amount, upon payment of charges as provided in the Indenture.

No recourse shall be had for the payment of the principal of, or interest on, this Bond, or any part thereof, or for any claim based hereon or otherwise in respect hereof or of the indebtedness represented hereby, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, past, present, or future, of the Company or of any successor corporation, as such, either directly or through the Company or any successor corporation or any other person, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, it being expressly understood and agreed that the Indenture and the obligations thereby secured are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by any incorporator, stockholder, officer or director of the Company or of any successor corporation, as such, because of the incurring of the indebtedness thereby secured or under or by reason of any of the obligations, covenants or agreements contained in the Indenture or any supplemental indenture or any of the Bonds or coupons, any and all such personal liability, whether presently existing or hereafter arising, being hereby expressly waived and released as a part of the consideration for the execution of the Indenture and the issue of the Bonds.

This Bond shall not be valid or obligatory for any purpose unless and until the certificate of authentication hereon shall have been executed by the Corporate Trustee under the Indenture.

IN WITNESS WHEREOF, Seaboard Air Line Railroad Company has caused this Bond to be signed by its President

or a Vice President and its corporate seal or a facsimile thereof to be affixed hereunto or imprinted hereon and to be attested by its Secretary or an Assistant Secretary, and this Bond to be dated as of .

SEABOARD AIR LINE RAILROAD COMPANY

By.....  
Attest: Vice President.

.....  
Assistant Secretary.

[FORM OF CORPORATE TRUSTEE'S CERTIFICATE OF  
AUTHENTICATION ON ALL BONDS]

This Bond is one of the Bonds, of the Series therein referred to, described in the within mentioned Indenture.

MERCANTILE TRUST COMPANY OF BALTIMORE  
as Corporate Trustee

By.....  
Authorized Officer.

and

WHEREAS, the Interstate Commerce Commission by its order entered June 28, 1946, in Finance Docket No. 14,500 has authorized the issue of Series A Bonds hereunder, in the principal amount of not exceeding \$32,500,000, pursuant to the Plan of Reorganization; and

WHEREAS, all acts and things prescribed by law and by the Articles of Association and By-laws of the Company

(19) FERNANDINA, FLORIDA TO BALDWIN, FLORIDA (*48.65 miles, more or less*). Beginning at a point about 200 feet south of the center line of Nassau Street, in the City of Fernandina, and extending southwestwardly via Yulee and Nassau, through a portion of the Counties of Nassau and Duval, to the crossing of this line of railroad with the Jacksonville-River Junction line of railroad, described in subparagraph (20) hereof, at Baldwin, all in the State of Florida.

(20) JACKSONVILLE, FLORIDA TO RIVER JUNCTION, FLORIDA (*235.82 miles, more or less*). Beginning at a point on the St. John's River near Hogan Street, in the City of Jacksonville, and extending westwardly via Baldwin, Lake City, Live Oak, Madison, Drifton, Tallahassee and Quincy, through the Counties of Duval, Nassau, Baker, Columbia, Suwannee, Madison, Jefferson and Leon, and a portion of Gadsden County (including the trackage rights of the Company over the line of railroad of the Atlantic Coast Line Railroad Company from a point approximately 0.50 miles east of the Atlantic Coast Line Railroad Company's depot to a point approximately 0.40 miles west of said depot, at River Junction) to the end of the line near the west bank of the Apalachicola River, at River Landing, in the County of Gadsden, all in the State of Florida; including also the branch line extending from Drifton to Monticello, in Jefferson County, and the branch line extending from Tallahassee, in Leon County, to St. Marks, in Wakulla County, all in the State of Florida.

(21) BALDWIN, FLORIDA TO TAMPA, FLORIDA (*202.42 miles, more or less*). Beginning at the point of connection with the Fernandina-Baldwin line of railroad, described in subparagraph (19) hereof, at Baldwin, and extending southwardly, via Starke, Waldo, Ocala, Summerfield, Wildwood, Coleman, Plant City and Valrico, through the Counties of Duval, Clay, Bradford, Alachua, Marion, Sumter, Hernando, Pasco and a por-

tion of Hillsborough, to the end of the line in Tampa and on Seddon Island, in Tampa, all in the State of Florida; including also the branch line extending from Summerfield to South Lake Weir, all in the County of Marion, State of Florida.

(22) STARKE, FLORIDA TO BELL, FLORIDA (51.75 miles, more or less). Beginning at the point of connection with the Baldwin-Tampa line of railroad, described in subparagraph (21) hereof, at Starke, and extending westwardly, via La Crosse and Alachua, through the Counties of Bradford, Alachua and a portion of Gilchrist, to the end of the line at Bell, all in the State of Florida.

(23) WALDO, FLORIDA TO INVERNESS, FLORIDA (89.26 miles, more or less). Beginning at the point of connection with the Baldwin-Tampa line of railroad, described in subparagraph (21) hereof, at Waldo, and extending westwardly and southwardly, via Gainesville, Archer and Dunnellon, through the Counties of Alachua, Levy, Marion and a portion of Citrus, to a connection with the Brooksville-Inverness line of railroad of Brooksville and Inverness Railway (described in subparagraph (2) of Granting Clause SECOND hereof), at Holders, near North Inverness, all in the State of Florida.

(24) WILDWOOD, FLORIDA TO LAKE CHARM, FLORIDA (75.43 miles, more or less). Beginning at the point of connection with the Baldwin-Tampa line of railroad, described in subparagraph (21) hereof, at Wildwood, and extending eastwardly, via Leesburg, Tavares and Orlando, through the Counties of Sumter, Lake, Orange and a portion of Seminole, to the end of the line at Lake Charm, all in the State of Florida; including also the line of railroad in Seminole County, extending from Lake Charm and known as the First and Second Black Hammock Extension.

mental hereto, unto the Trustees, their successor or successors in trust and their assigns, forever;

SUBJECT, HOWEVER, to any liens on any of said property prior to the lien hereof, now existing or hereafter created in accordance with the provisions hereof, including, without limitation, all right, title and interest of any Trustee under any Equipment Agreement to which the Receivers of the Old Company are parties, or which may be executed by the Company in accordance with the provisions hereof, in, to or in respect of the Equipment subject to such Equipment Agreement.

BUT IN TRUST NEVERTHELESS for the equal and proportionate benefit and security of all of the present and future holders of the Bonds and of any coupons appurtenant thereto, and for the enforcement of the payment of the principal of the Bonds and the premium, if any, and interest thereon, as and when payable, and the performance of and compliance with the covenants and conditions of this Indenture, without preference, priority or distinction as to lien or otherwise of any Bond over any other Bond of the same or any other series by reason of priority in the issue or negotiation or maturity thereof or otherwise, so that, except as in Section 1 of Article Nine hereof otherwise provided, and except for such priorities as among Bonds of different series in respect of sinking fund payments as may be provided in this Indenture or in any indenture supplemental hereto, in accordance with the provisions hereof, each and every Bond shall have the same right, lien and privilege under this Indenture and so that, subject as aforesaid, the principal of, premium, if any, and interest payable on every such Bond shall be equally and ratably secured hereby, as if all such Bonds at any time outstanding had been executed, delivered and negotiated simultaneously with the execution and delivery of this Indenture.

AND IT IS HEREBY COVENANTED AND DECLARED that all of the Bonds, with the coupons for interest thereon, if any,



or Subsidiary Prior Claims, or Substituted System Obligations or Substituted Subsidiary Prior Claims, or, in lieu of any such System Obligations, an instrument or instruments satisfying, releasing and discharging the mortgage, deed of trust or other instrument under which such System Obligations were issued; and

(c) if such Officers' Certificate describes any Subsidiary Prior Claims, or any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, whether after the refunding of such System Obligations or Subsidiary Prior Claims there will be any Prior Liens on the property by which such System Obligations were or are secured or, as the case may be, any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, and, if so, the amount and character of such Prior Liens or Subsidiary Prior Claims;

(3) if the Officers' Certificate delivered pursuant to the foregoing subparagraph (2) shall describe any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, or any Subsidiary Prior Claims against any Subsidiary which was not a Subsidiary at the date of the execution and delivery of this Indenture, an Officers' Certificate stating (i) the cost to the Company of the property on which any such System Obligations are or were a lien, or of the Common Stock of such Subsidiary owned by the Company, (ii) the amount of System Obligations secured by lien on such property at the time of the acquisition thereof, or the amount of Subsidiary Prior Claims against such Subsidiary when such Subsidiary became a Subsidiary, (iii) the principal amount of Bonds and Income Bonds theretofore authenticated and delivered, and the amount of Deposited Cash and

General Mortgage Deposited Cash theretofore paid, in respect of the acquisition of such property or the refunding of System Obligations (other than Bonds) secured by lien thereon, or, as the case may be, in respect of the acquisition of Common Stock of such Subsidiary or the refunding of Subsidiary Prior Claims against such Subsidiary, (iv) the principal amount of System Obligations (other than Bonds) secured by lien on such property after such refunding, or, as the case may be, the principal amount of Subsidiary Prior Claims against such Subsidiary after such refunding, and (v) any amount theretofore charged to the Capital Fund Account in respect of the acquisition of such property or such Common Stock in excess of 25% of the sum of the items specified in clauses (i) and (ii), above;

(4) if the Officers' Certificate delivered to the Corporate Trustee pursuant to the foregoing subparagraph (2) shall state that after such refunding there will be any Prior Liens on the property by which the refunded System Obligations were or are secured, or any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, an Officers' Certificate stating (a) the aggregate principal amount of Bonds and Income Bonds authenticated and delivered, and the aggregate amount of Deposited Cash and General Mortgage Deposited Cash paid, in respect of (i) Capital Expenditures made for Additions and Betterments which, after such refunding, will be subject to any Prior Lien, (ii) the refunding of any System Obligations secured by Prior Lien on any property which, after such authentication and delivery, will be subject to any Prior Lien, (iii) Capital Expenditures for the acquisition of securities of, or Additions and Betterments to the property of, any corporation against which, after such authentication and delivery, any Subsidiary Prior Claims will be out-

standing, or (iv) the refunding of Subsidiary Prior Claims against any such corporation, and (b) the maximum principal amount of Bonds and Income Bonds then or at any one time theretofore outstanding, including, as then outstanding, any Bonds or Income Bonds then to be authenticated and delivered;

(5) an Opinion of Counsel that

(a) the Refunded Securities to be delivered to the Corporate Trustee, as described in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2), are System Obligations, Substituted System Obligations, Subsidiary Prior Claims or Substituted Subsidiary Prior Claims as herein defined, and, upon such delivery, will be valid and binding obligations secured by the same liens, if any, by which the refunded System Obligations or Subsidiary Prior Claims were secured prior to the refunding thereof, or, as the case may be, valid Preferred Stock of a Subsidiary, fully paid and non-assessable;

(b) there are no Prior Liens on the property on which any mortgage, deed of trust or other instrument, any instrument of satisfaction of which is delivered to the Corporate Trustee, constituted a lien; and

(c) after such refunding there will be no Prior Liens on the property on which any Refunded Securities are or were a lien, and no Subsidiary Prior Claims against any Subsidiary, Subsidiary Prior Claims against which are included in such Refunded Securities, other than those specified in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2).

Whenever the Company shall apply for the payment of Escrowed Cash for the purposes specified in Section 4 of

Trustees shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees, provided reasonable care has been exercised in the selection and in the continued employment of any such attorney, agent or employee, nor shall the Trustees be otherwise answerable or accountable under any circumstances whatsoever, except for negligence or bad faith. The Trustees shall not be under any obligation or duty to institute, appear in or defend any suit in respect hereof, unless first reasonably indemnified, and the Trustees shall not be under any obligation to take any action in respect of any default or otherwise or toward the execution or enforcement of any of the trusts hereby created or to institute, appear in or defend any suit or other proceeding in connection therewith, unless one or more of the holders of the Bonds shall, as often as required by the Trustees, furnish them with reasonable security and indemnity against the cost and expenses of said proceeding, but this provision shall not affect any discretionary power herein given to the Trustees to determine whether or not they shall take action in respect of such default or otherwise.

(d) Except as herein otherwise provided any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustees or any other person on the Company, shall be deemed to have been sufficiently given and served for all purposes if deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed (until another address is filed by the Company with the Corporate Trustee and thereafter if addressed to such other address) as follows: Seaboard Air Line Railroad Company, Norfolk, Va. Any notice, request or demand by any holder of a Bond or Bonds to or upon the Trustees, or either of them shall be deemed to have been sufficiently given or made, for all purposes, if

given or made at the principal office of the Corporate Trustee.

(e) The Trustees shall not be bound to recognize any person as the holder of a Bond unless and until the Bond is submitted to the Corporate Trustee for inspection if requested, and the title thereto established to the satisfaction of the Corporate Trustee.

(f) The Trustees shall be justified in relying upon any Request, Certified Resolution or Officers' Certificate delivered to the Corporate Trustee pursuant to any provision of this Indenture, and upon any notice, resolution, request, waiver, consent, order, certificate, statement, affidavit, indemnity, bond, report, appraisal, opinion, telegram, cablegram, radiogram, letter, bond or other paper, document or instrument believed by them, or either of them, in the exercise of due care to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustees shall be entitled, in taking, failing to take, or permitting any action under the provisions of this Indenture, to assume that no Event of Default has happened and is continuing, unless (a) the Corporate Trustee shall have knowledge that an Event of Default has happened and is continuing or (b) the holders of not less than five per cent. (5%) in principal amount of the outstanding Bonds shall have notified the Trustees in writing that an Event of Default has happened and is continuing.

(g) In any instance or instances in which the Trustees are required or permitted, by any provision of this Indenture or in the execution of the trusts hereunder, to exercise discretion, the Trustees may employ an independent engineer, accountant, or other expert or adviser and the Trustees shall be fully protected in relying upon any statement of fact or opinion of any such engineer, accountant, expert or adviser; but noth-

ing in this paragraph shall be construed to require the employment of any such engineer, accountant, expert or adviser.

(h) The Trustees may consult with counsel (who may be counsel for the Company) and the opinion of such counsel and any Opinion of Counsel delivered to the Trustees, or either of them, in accordance with this Indenture shall be full and complete authority and protection in respect of any action taken, suffered or omitted by them, or either of them, hereunder in good faith, in accordance with any such opinion. The Trustees shall not be under any responsibility for the acts or omissions of any counsel, engineer, accountant, expert, appraiser or other person or persons employed for any of the purposes of this Indenture, provided that the Trustee shall have exercised reasonable care in the selection and continued employment of such counsel, engineer, accountant, expert, appraiser or other person or persons.

(i) Any notice, resolution, request, certificate, document or instrument which in accordance with any provision of this Indenture is required or permitted to be delivered to the Trustees, or either of them, may be accepted without further inquiry and the Trustees shall not be liable for any action taken, suffered or omitted in good faith and in reliance thereon. The Trustees shall be under no duty to make any further investigation into the matters covered by any such resolution, certificate, statement, appraisal, opinion, report, order or other paper before granting any application for the authentication or delivery of Bonds or for the payment of any Deposited Cash or for the execution of any release or any other application to the Trustees, or either of them, hereunder, *provided, however*, that if, prior to action had thereon, the holders of not less than ten per cent. (10%) in principal amount of the out-

(19) FERNANDINA, FLORIDA TO BALDWIN, FLORIDA (*48.65 miles, more or less*). Beginning at a point about 200 feet south of the center line of Nassau Street, in the City of Fernandina, and extending southwestwardly via Yulee and Nassau, through a portion of the Counties of Nassau and Duval, to the crossing of this line of railroad with the Jacksonville-River Junction line of railroad, described in subparagraph (20) hereof, at Baldwin, all in the State of Florida.

(20) JACKSONVILLE, FLORIDA TO RIVER JUNCTION, FLORIDA (*235.82 miles, more or less*). Beginning at a point on the St. John's River near Hogan Street, in the City of Jacksonville, and extending westwardly via Baldwin, Lake City, Live Oak, Madison, Drifton, Tallahassee and Quincy, through the Counties of Duval, Nassau, Baker, Columbia, Suwannee, Madison, Jefferson and Leon, and a portion of Gadsden County (including the trackage rights of the Company over the line of railroad of the Atlantic Coast Line Railroad Company from a point approximately 0.50 miles east of the Atlantic Coast Line Railroad Company's depot to a point approximately 0.40 miles west of said depot, at River Junction) to the end of the line near the west bank of the Apalachicola River, at River Landing, in the County of Gadsden, all in the State of Florida; including also the branch line extending from Drifton to Monticello, in Jefferson County, and the branch line extending from Tallahassee, in Leon County, to St. Marks, in Wakulla County, all in the State of Florida.

(21) BALDWIN, FLORIDA TO TAMPA, FLORIDA (*202.42 miles, more or less*). Beginning at the point of connection with the Fernandina-Baldwin line of railroad, described in subparagraph (19) hereof, at Baldwin, and extending southwardly, via Starke, Waldo, Ocala, Summerfield, Wildwood, Coleman, Plant City and Valrico, through the Counties of Duval, Clay, Bradford, Alachua, Marion, Sumter, Hernando, Pasco and a por-

tion of Hillsborough, to the end of the line in Tampa and on Seddon Island, in Tampa, all in the State of Florida; including also the branch line extending from Summerfield to South Lake Weir, all in the County of Marion, State of Florida.

(22) STARKE, FLORIDA TO BELL, FLORIDA (51.75 miles, more or less). Beginning at the point of connection with the Baldwin-Tampa line of railroad, described in subparagraph (21) hereof, at Starke, and extending westwardly, via La Crosse and Alachua, through the Counties of Bradford, Alachua and a portion of Gilchrist, to the end of the line at Bell, all in the State of Florida.

(23) WALDO, FLORIDA TO INVERNESS, FLORIDA (89.26 miles, more or less). Beginning at the point of connection with the Baldwin-Tampa line of railroad, described in subparagraph (21) hereof, at Waldo, and extending westwardly and southwardly, via Gainesville, Archer and Dunnellon, through the Counties of Alachua, Levy, Marion and a portion of Citrus, to a connection with the Brooksville-Inverness line of railroad of Brooksville and Inverness Railway (described in subparagraph (2) of Granting Clause SECOND hereof), at Holders, near North Inverness, all in the State of Florida.

(24) WILDWOOD, FLORIDA TO LAKE CHARM, FLORIDA (75.43 miles, more or less). Beginning at the point of connection with the Baldwin-Tampa line of railroad, described in subparagraph (21) hereof, at Wildwood, and extending eastwardly, via Leesburg, Tavares and Orlando, through the Counties of Sumter, Lake, Orange and a portion of Seminole, to the end of the line at Lake Charm, all in the State of Florida; including also the line of railroad in Seminole County, extending from Lake Charm and known as the First and Second Black Hammock Extension.



mental hereto, unto the Trustees, their successor or successors in trust and their assigns, forever;

SUBJECT, HOWEVER, to any liens on any of said property prior to the lien hereof, now existing or hereafter created in accordance with the provisions hereof, including, without limitation, all right, title and interest of any Trustee under any Equipment Agreement to which the Receivers of the Old Company are parties, or which may be executed by the Company in accordance with the provisions hereof, in, to or in respect of the Equipment subject to such Equipment Agreement.

BUT IN TRUST NEVERTHELESS for the equal and proportionate benefit and security of all of the present and future holders of the Bonds and of any coupons appurtenant thereto, and for the enforcement of the payment of the principal of the Bonds and the premium, if any, and interest thereon, as and when payable, and the performance of and compliance with the covenants and conditions of this Indenture, without preference, priority or distinction as to lien or otherwise of any Bond over any other Bond of the same or any other series by reason of priority in the issue or negotiation or maturity thereof or otherwise, so that, except as in Section 1 of Article Nine hereof otherwise provided, and except for such priorities as among Bonds of different series in respect of sinking fund payments as may be provided in this Indenture or in any indenture supplemental hereto, in accordance with the provisions hereof, each and every Bond shall have the same right, lien and privilege under this Indenture and so that, subject as aforesaid, the principal of, premium, if any, and interest payable on every such Bond shall be equally and ratably secured hereby, as if all such Bonds at any time outstanding had been executed, delivered and negotiated simultaneously with the execution and delivery of this Indenture.

AND IT IS HEREBY COVENANTED AND DECLARED that all of the Bonds, with the coupons for interest thereon, if any,

or Subsidiary Prior Claims, or Substituted System Obligations or Substituted Subsidiary Prior Claims, or, in lieu of any such System Obligations, an instrument or instruments satisfying, releasing and discharging the mortgage, deed of trust or other instrument under which such System Obligations were issued; and

(c) if such Officers' Certificate describes any Subsidiary Prior Claims, or any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, whether after the refunding of such System Obligations or Subsidiary Prior Claims there will be any Prior Liens on the property by which such System Obligations were or are secured or, as the case may be, any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, and, if so, the amount and character of such Prior Liens or Subsidiary Prior Claims;

(3) if the Officers' Certificate delivered pursuant to the foregoing subparagraph (2) shall describe any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, or any Subsidiary Prior Claims against any Subsidiary which was not a Subsidiary at the date of the execution and delivery of this Indenture, an Officers' Certificate stating (i) the cost to the Company of the property on which any such System Obligations are or were a lien, or of the Common Stock of such Subsidiary owned by the Company, (ii) the amount of System Obligations secured by lien on such property at the time of the acquisition thereof, or the amount of Subsidiary Prior Claims against such Subsidiary when such Subsidiary became a Subsidiary, (iii) the principal amount of Bonds and Income Bonds theretofore authenticated and delivered, and the amount of Deposited Cash and

General Mortgage Deposited Cash theretofore paid, in respect of the acquisition of such property or the refunding of System Obligations (other than Bonds) secured by lien thereon, or, as the case may be, in respect of the acquisition of Common Stock of such Subsidiary or the refunding of Subsidiary Prior Claims against such Subsidiary, (iv) the principal amount of System Obligations (other than Bonds) secured by lien on such property after such refunding, or, as the case may be, the principal amount of Subsidiary Prior Claims against such Subsidiary after such refunding, and (v) any amount theretofore charged to the Capital Fund Account in respect of the acquisition of such property or such Common Stock in excess of 25% of the sum of the items specified in clauses (i) and (ii), above;

(4) if the Officers' Certificate delivered to the Corporate Trustee pursuant to the foregoing subparagraph (2) shall state that after such refunding there will be any Prior Liens on the property by which the refunded System Obligations were or are secured, or any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, an Officers' Certificate stating (a) the aggregate principal amount of Bonds and Income Bonds authenticated and delivered, and the aggregate amount of Deposited Cash and General Mortgage Deposited Cash paid, in respect of (i) Capital Expenditures made for Additions and Betterments which, after such refunding, will be subject to any Prior Lien, (ii) the refunding of any System Obligations secured by Prior Lien on any property which, after such authentication and delivery, will be subject to any Prior Lien, (iii) Capital Expenditures for the acquisition of securities of, or Additions and Betterments to the property of, any corporation against which, after such authentication and delivery, any Subsidiary Prior Claims will be out-

standing, or (iv) the refunding of Subsidiary Prior Claims against any such corporation, and (b) the maximum principal amount of Bonds and Income Bonds then or at any one time theretofore outstanding, including, as then outstanding, any Bonds or Income Bonds then to be authenticated and delivered;

(5) an Opinion of Counsel that

(a) the Refunded Securities to be delivered to the Corporate Trustee, as described in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2), are System Obligations, Substituted System Obligations, Subsidiary Prior Claims or Substituted Subsidiary Prior Claims as herein defined, and, upon such delivery, will be valid and binding obligations secured by the same liens, if any, by which the refunded System Obligations or Subsidiary Prior Claims were secured prior to the refunding thereof, or, as the case may be, valid Preferred Stock of a Subsidiary, fully paid and non-assessable;

(b) there are no Prior Liens on the property on which any mortgage, deed of trust or other instrument, any instrument of satisfaction of which is delivered to the Corporate Trustee, constituted a lien; and

(c) after such refunding there will be no Prior Liens on the property on which any Refunded Securities are or were a lien, and no Subsidiary Prior Claims against any Subsidiary, Subsidiary Prior Claims against which are included in such Refunded Securities, other than those specified in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2).

Whenever the Company shall apply for the payment of Escrowed Cash for the purposes specified in Section 4 of

Trustees shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees, provided reasonable care has been exercised in the selection and in the continued employment of any such attorney, agent or employee, nor shall the Trustees be otherwise answerable or accountable under any circumstances whatsoever, except for negligence or bad faith. The Trustees shall not be under any obligation or duty to institute, appear in or defend any suit in respect hereof, unless first reasonably indemnified, and the Trustees shall not be under any obligation to take any action in respect of any default or otherwise or toward the execution or enforcement of any of the trusts hereby created or to institute, appear in or defend any suit or other proceeding in connection therewith, unless one or more of the holders of the Bonds shall, as often as required by the Trustees, furnish them with reasonable security and indemnity against the cost and expenses of said proceeding, but this provision shall not affect any discretionary power herein given to the Trustees to determine whether or not they shall take action in respect of such default or otherwise.

(d) Except as herein otherwise provided any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustees or any other person on the Company, shall be deemed to have been sufficiently given and served for all purposes if deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed (until another address is filed by the Company with the Corporate Trustee and thereafter if addressed to such other address) as follows: Seaboard Air Line Railroad Company, Norfolk, Va. Any notice, request or demand by any holder of a Bond or Bonds to or upon the Trustees, or either of them shall be deemed to have been sufficiently given or made, for all purposes, if

given or made at the principal office of the Corporate Trustee.

(e) The Trustees shall not be bound to recognize any person as the holder of a Bond unless and until the Bond is submitted to the Corporate Trustee for inspection if requested, and the title thereto established to the satisfaction of the Corporate Trustee.

(f) The Trustees shall be justified in relying upon any Request, Certified Resolution or Officers' Certificate delivered to the Corporate Trustee pursuant to any provision of this Indenture, and upon any notice, resolution, request, waiver, consent, order, certificate, statement, affidavit, indemnity, bond, report, appraisal, opinion, telegram, cablegram, radiogram, letter, bond or other paper, document or instrument believed by them, or either of them, in the exercise of due care to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustees shall be entitled, in taking, failing to take, or permitting any action under the provisions of this Indenture, to assume that no Event of Default has happened and is continuing, unless (a) the Corporate Trustee shall have knowledge that an Event of Default has happened and is continuing or (b) the holders of not less than five per cent. (5%) in principal amount of the outstanding Bonds shall have notified the Trustees in writing that an Event of Default has happened and is continuing.

(g) In any instance or instances in which the Trustees are required or permitted, by any provision of this Indenture or in the execution of the trusts hereunder, to exercise discretion, the Trustees may employ an independent engineer, accountant, or other expert or adviser and the Trustees shall be fully protected in relying upon any statement of fact or opinion of any such engineer, accountant, expert or adviser; but noth-

ing in this paragraph shall be construed to require the employment of any such engineer, accountant, expert or adviser.

(h) The Trustees may consult with counsel (who may be counsel for the Company) and the opinion of such counsel and any Opinion of Counsel delivered to the Trustees, or either of them, in accordance with this Indenture shall be full and complete authority and protection in respect of any action taken, suffered or omitted by them, or either of them, hereunder in good faith, in accordance with any such opinion. The Trustees shall not be under any responsibility for the acts or omissions of any counsel, engineer, accountant, expert, appraiser or other person or persons employed for any of the purposes of this Indenture, provided that the Trustee shall have exercised reasonable care in the selection and continued employment of such counsel, engineer, accountant, expert, appraiser or other person or persons.

(i) Any notice, resolution, request, certificate, document or instrument which in accordance with any provision of this Indenture is required or permitted to be delivered to the Trustees, or either of them, may be accepted without further inquiry and the Trustees shall not be liable for any action taken, suffered or omitted in good faith and in reliance thereon. The Trustees shall be under no duty to make any further investigation into the matters covered by any such resolution, certificate, statement, appraisal, opinion, report, order or other paper before granting any application for the authentication or delivery of Bonds or for the payment of any Deposited Cash or for the execution of any release or any other application to the Trustees, or either of them, hereunder, *provided, however*, that if, prior to action had thereon, the holders of not less than ten per cent. (10%) in principal amount of the out-

standing Bonds shall in writing request the Trustees, or the Corporate Trustee, so to do and shall furnish security and indemnity satisfactory to the Corporate Trustee against the costs and expenses of the investigation, the Trustees shall make such further investigation as to the Corporate Trustee may seem proper, and *provided further*, that the Trustees may in their discretion make any such independent inquiry or investigation as they may see fit. If the Trustees shall determine, or shall be requested as aforesaid, to make said further investigation, they shall be entitled to examine the books, records and premises of the Company, themselves or by agent or attorney; and unless the Trustees shall be satisfied, with or without said examination, of the truth and accuracy of the matters stated in any such resolution, certificate, statement, appraisal, opinion, report, order or other paper, the Trustees shall not be under any obligation to grant the application. If after such examination or other inquiry the Trustees shall determine to grant the application, they shall not be liable for any action taken with due care and in good faith. The reasonable expense of every examination shall be paid by the Company, or if paid by the Corporate Trustee, shall be repaid by the Company upon demand, with interest, and until said repayment shall be secured by a lien on the trust estate and the proceeds thereof prior to the lien of the Bonds.

(j) The Company covenants and agrees to pay to the Trustees from time to time, on demand of the Corporate Trustee, reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of trustees of an express trust) for all services rendered by them hereunder and also their reasonable expenses and counsel fees and other disbursements, and those of their attorneys, agents and employees, incurred in the administration and execution of the trusts hereby created and the



exercise of their powers and the performance of their duties hereunder.

The Company also covenants to indemnify the Trustees for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest to the Corporate Trustee upon all amounts paid, advanced or disbursed by the Corporate Trustee for which it is entitled to reimbursement or indemnity as herein provided.

The Trustees shall have a lien on the trust estate and the proceeds thereof, prior to the lien of the Bonds, for all amounts agreed to be paid by, and for all obligations of, the Company under this clause (j).

(k) Whenever in the administration of the trusts created by this Indenture the Trustees, or either of them, shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, said matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be proved and established by an Officers' Certificate delivered to the Corporate Trustee, but in their discretion the Trustees may require such further or additional evidence as to them may seem reasonable.

(l) The Corporate Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of this Indenture, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Corporate Trustee may agree with the Company to pay.

thereof, to restore the same to the Company upon such conditions as may be approved at said meeting;

(e) to terminate, either before or after an event of default, the lien of this Indenture or any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and to cause the same to revert to the Company free and clear of the lien hereof, upon such conditions as may be approved at said meeting;

(f) to sanction any plan for the reorganization, re-adjustment or liquidation of the Company, or to designate a reorganization manager or managers;

(g) to authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed;

(h) to waive any default on the part of the Company, upon such terms as may be approved at said meeting;

(i) in the event of the unification of the properties of the Company with the properties of any other corporation, to provide for the exclusion of the earnings of such other properties, in whole or in part, in determining Available Net Income, and/or for the determination of Available Net Income without the maintenance of separate accounts, all upon such terms as may be approved at said meeting; and

(j) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture.

The affirmative vote of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) in principal amount of the Affected Bonds at the time outstanding, shall be necessary to the adoption

of any resolution under this Section 6; *provided, however,* (1) that, except to the extent provided in the foregoing subparagraph (c), no such resolution shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon, or shall change the percentage of Bonds required to consent to any amendment, modification or alteration pursuant to this Article Sixteen, and (2) that if the adoption of any such resolution would affect the rights of the holders of the Bonds of any one or more series, but would not affect in the same manner or to the same extent the rights of the holders of the Bonds of any other series, the affirmative vote of holders of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Bonds of each series at the time outstanding shall also be necessary for the adoption of such resolution.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

SECTION 7. The vote upon any resolution shall be by ballot, and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article Sixteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one

of the duplicates shall be delivered to the Company and the other to the Corporate Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 8. Any resolution adopted in accordance with the provisions of Section 6 of this Article Sixteen at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and all Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns. The Trustees shall be bound to give effect to any such resolution.

SECTION 9. Bonds authenticated and delivered after the date of any such meeting may bear a notation in form approved by the Corporate Trustee as to any action taken at any such meeting theretofore held, and upon the demand of the holder of any Affected Bond outstanding at the date of any such meeting and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on such Bond, by endorsement or otherwise, as to any action taken at any such meeting theretofore held. If the Company or the Corporate Trustee shall so determine, new Bonds, so modified as to conform, in the opinion of the Trustees, and the Board of Directors, to any resolution adopted as provided in this Article Sixteen shall be prepared by the Company, authenticated by the Corporate Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds with all coupons not previously

payable, in equal aggregate principal amounts. The Company or the Corporate Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

Indentures supplemental to this Indenture, embodying any modification or repeal of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds and appurtenant coupons, made as provided in this Article Sixteen, may be executed by the Trustees and the Company, and, upon demand of the Corporate Trustee, or if so specified in any resolution adopted at any meeting provided for in this Article Sixteen, shall be executed by the Company and the Trustees.

SECTION 10. Any power exercisable at any meeting convened pursuant to this Article Sixteen may also be exercised by an instrument or instruments signed by the holders of the same percentage of Affected Bonds as would be required for the adoption of a resolution pursuant to Section 6 of this Article Sixteen and delivered to the Corporate Trustee together with such proof of the fact and date of the execution thereof, and the fact and date of the holding of Bonds by the signers thereof, as may be required by the Trustees under the provisions of Article Eleven hereof.

## ARTICLE SEVENTEEN.

### MISCELLANEOUS PROVISIONS.

SECTION 1. Except as otherwise expressly provided in this Indenture, all coupon Bonds and appurtenant coupons cancelled pursuant to any provisions of this Indenture shall be cremated, subject to such rules and regula-

tions, if any, as may be prescribed by the Interstate Commerce Commission; unless such rules and regulations otherwise require, any such cremation shall be by the Corporate Trustee. Registered Bonds without coupons cancelled pursuant to any provision of this Indenture shall be delivered from time to time to the Company.

SECTION 2. Any moneys received by any Paying Agent under any provision of this Indenture for the payment of the principal of, or the premium, if any, or interest on, the Bonds shall be held in trust for the holders of the Bonds and coupons for the payment of which such moneys were received until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the general funds of the Paying Agent, and the Paying Agent shall not be under any liability for interest on any such moneys, except such as it may agree with the Company to pay thereon.

Upon the request of the Company any moneys held by any Paying Agent or by the Corporate Trustee which shall have been deposited for the payment of the principal of, or the premium, if any, or interest on, any Bonds and which may remain unclaimed by the holders of Bonds or coupons respectively entitled thereto for six years after the date when such moneys were payable shall be repaid by the Paying Agent or the Corporate Trustee, as the case may be, to the Company and any liability of the Paying Agent or the Corporate Trustee with respect to such moneys shall cease upon such repayment and the holders of such Bonds and coupons shall thereafter be entitled to look only to the Company, as the holders of general claims, for the payment thereof, subject to the applicable statute of limitations, *provided, however*, that the Corporate Trustee, before being required to make any such repayment, may, at the expense of the Company, cause notice that such moneys have not been claimed and that after a date speci-

or Subsidiary Prior Claims, or Substituted System Obligations or Substituted Subsidiary Prior Claims, or, in lieu of any such System Obligations, an instrument or instruments satisfying, releasing and discharging the mortgage, deed of trust or other instrument under which such System Obligations were issued; and

(c) if such Officers' Certificate describes any Subsidiary Prior Claims, or any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, whether after the refunding of such System Obligations or Subsidiary Prior Claims there will be any Prior Liens on the property by which such System Obligations were or are secured or, as the case may be, any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, and, if so, the amount and character of such Prior Liens or Subsidiary Prior Claims;

(3) if the Officers' Certificate delivered pursuant to the foregoing subparagraph (2) shall describe any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, or any Subsidiary Prior Claims against any Subsidiary which was not a Subsidiary at the date of the execution and delivery of this Indenture, an Officers' Certificate stating (i) the cost to the Company of the property on which any such System Obligations are or were a lien, or of the Common Stock of such Subsidiary owned by the Company, (ii) the amount of System Obligations secured by lien on such property at the time of the acquisition thereof, or the amount of Subsidiary Prior Claims against such Subsidiary when such Subsidiary became a Subsidiary, (iii) the principal amount of Bonds and Income Bonds theretofore authenticated and delivered, and the amount of Deposited Cash and

General Mortgage Deposited Cash theretofore paid, in respect of the acquisition of such property or the refunding of System Obligations (other than Bonds) secured by lien thereon, or, as the case may be, in respect of the acquisition of Common Stock of such Subsidiary or the refunding of Subsidiary Prior Claims against such Subsidiary, (iv) the principal amount of System Obligations (other than Bonds) secured by lien on such property after such refunding, or, as the case may be, the principal amount of Subsidiary Prior Claims against such Subsidiary after such refunding, and (v) any amount theretofore charged to the Capital Fund Account in respect of the acquisition of such property or such Common Stock in excess of 25% of the sum of the items specified in clauses (i) and (ii), above;

(4) if the Officers' Certificate delivered to the Corporate Trustee pursuant to the foregoing subparagraph (2) shall state that after such refunding there will be any Prior Liens on the property by which the refunded System Obligations were or are secured, or any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, an Officers' Certificate stating (a) the aggregate principal amount of Bonds and Income Bonds authenticated and delivered, and the aggregate amount of Deposited Cash and General Mortgage Deposited Cash paid, in respect of (i) Capital Expenditures made for Additions and Betterments which, after such refunding, will be subject to any Prior Lien, (ii) the refunding of any System Obligations secured by Prior Lien on any property which, after such authentication and delivery, will be subject to any Prior Lien, (iii) Capital Expenditures for the acquisition of securities of, or Additions and Betterments to the property of, any corporation against which, after such authentication and delivery, any Subsidiary Prior Claims will be out-



standing, or (iv) the refunding of Subsidiary Prior Claims against any such corporation, and (b) the maximum principal amount of Bonds and Income Bonds then or at any one time theretofore outstanding, including, as then outstanding, any Bonds or Income Bonds then to be authenticated and delivered;

(5) an Opinion of Counsel that

(a) the Refunded Securities to be delivered to the Corporate Trustee, as described in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2), are System Obligations, Substituted System Obligations, Subsidiary Prior Claims or Substituted Subsidiary Prior Claims as herein defined, and, upon such delivery, will be valid and binding obligations secured by the same liens, if any, by which the refunded System Obligations or Subsidiary Prior Claims were secured prior to the refunding thereof, or, as the case may be, valid Preferred Stock of a Subsidiary, fully paid and non-assessable;

(b) there are no Prior Liens on the property on which any mortgage, deed of trust or other instrument, any instrument of satisfaction of which is delivered to the Corporate Trustee, constituted a lien; and

(c) after such refunding there will be no Prior Liens on the property on which any Refunded Securities are or were a lien, and no Subsidiary Prior Claims against any Subsidiary, Subsidiary Prior Claims against which are included in such Refunded Securities, other than those specified in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2).

Whenever the Company shall apply for the payment of Escrowed Cash for the purposes specified in Section 4 of

Trustees shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees, provided reasonable care has been exercised in the selection and in the continued employment of any such attorney, agent or employee, nor shall the Trustees be otherwise answerable or accountable under any circumstances whatsoever, except for negligence or bad faith. The Trustees shall not be under any obligation or duty to institute, appear in or defend any suit in respect hereof, unless first reasonably indemnified, and the Trustees shall not be under any obligation to take any action in respect of any default or otherwise or toward the execution or enforcement of any of the trusts hereby created or to institute, appear in or defend any suit or other proceeding in connection therewith, unless one or more of the holders of the Bonds shall, as often as required by the Trustees, furnish them with reasonable security and indemnity against the cost and expenses of said proceeding, but this provision shall not affect any discretionary power herein given to the Trustees to determine whether or not they shall take action in respect of such default or otherwise.

(d) Except as herein otherwise provided any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustees or any other person on the Company, shall be deemed to have been sufficiently given and served for all purposes if deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed (until another address is filed by the Company with the Corporate Trustee and thereafter if addressed to such other address) as follows: Seaboard Air Line Railroad Company, Norfolk, Va. Any notice, request or demand by any holder of a Bond or Bonds to or upon the Trustees, or either of them shall be deemed to have been sufficiently given or made, for all purposes, if

given or made at the principal office of the Corporate Trustee.

(e) The Trustees shall not be bound to recognize any person as the holder of a Bond unless and until the Bond is submitted to the Corporate Trustee for inspection if requested, and the title thereto established to the satisfaction of the Corporate Trustee.

(f) The Trustees shall be justified in relying upon any Request, Certified Resolution or Officers' Certificate delivered to the Corporate Trustee pursuant to any provision of this Indenture, and upon any notice, resolution, request, waiver, consent, order, certificate, statement, affidavit, indemnity, bond, report, appraisal, opinion, telegram, cablegram, radiogram, letter, bond or other paper, document or instrument believed by them, or either of them, in the exercise of due care to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustees shall be entitled, in taking, failing to take, or permitting any action under the provisions of this Indenture, to assume that no Event of Default has happened and is continuing, unless (a) the Corporate Trustee shall have knowledge that an Event of Default has happened and is continuing or (b) the holders of not less than five per cent. (5%) in principal amount of the outstanding Bonds shall have notified the Trustees in writing that an Event of Default has happened and is continuing.

(g) In any instance or instances in which the Trustees are required or permitted, by any provision of this Indenture or in the execution of the trusts hereunder, to exercise discretion, the Trustees may employ an independent engineer, accountant, or other expert or adviser and the Trustees shall be fully protected in relying upon any statement of fact or opinion of any such engineer, accountant, expert or adviser; but noth-

ing in this paragraph shall be construed to require the employment of any such engineer, accountant, expert or adviser.

(h) The Trustees may consult with counsel (who may be counsel for the Company) and the opinion of such counsel and any Opinion of Counsel delivered to the Trustees, or either of them, in accordance with this Indenture shall be full and complete authority and protection in respect of any action taken, suffered or omitted by them, or either of them, hereunder in good faith, in accordance with any such opinion. The Trustees shall not be under any responsibility for the acts or omissions of any counsel, engineer, accountant, expert, appraiser or other person or persons employed for any of the purposes of this Indenture, provided that the Trustee shall have exercised reasonable care in the selection and continued employment of such counsel, engineer, accountant, expert, appraiser or other person or persons.

(i) Any notice, resolution, request, certificate, document or instrument which in accordance with any provision of this Indenture is required or permitted to be delivered to the Trustees, or either of them, may be accepted without further inquiry and the Trustees shall not be liable for any action taken, suffered or omitted in good faith and in reliance thereon. The Trustees shall be under no duty to make any further investigation into the matters covered by any such resolution, certificate, statement, appraisal, opinion, report, order or other paper before granting any application for the authentication or delivery of Bonds or for the payment of any Deposited Cash or for the execution of any release or any other application to the Trustees, or either of them, hereunder, *provided, however*, that if, prior to action had thereon, the holders of not less than ten per cent. (10%) in principal amount of the out-

standing Bonds shall in writing request the Trustees, or the Corporate Trustee, so to do and shall furnish security and indemnity satisfactory to the Corporate Trustee against the costs and expenses of the investigation, the Trustees shall make such further investigation as to the Corporate Trustee may seem proper, and *provided further*, that the Trustees may in their discretion make any such independent inquiry or investigation as they may see fit. If the Trustees shall determine, or shall be requested as aforesaid, to make said further investigation, they shall be entitled to examine the books, records and premises of the Company, themselves or by agent or attorney; and unless the Trustees shall be satisfied, with or without said examination, of the truth and accuracy of the matters stated in any such resolution, certificate, statement, appraisal, opinion, report, order or other paper, the Trustees shall not be under any obligation to grant the application. If after such examination or other inquiry the Trustees shall determine to grant the application, they shall not be liable for any action taken with due care and in good faith. The reasonable expense of every examination shall be paid by the Company, or if paid by the Corporate Trustee, shall be repaid by the Company upon demand, with interest, and until said repayment shall be secured by a lien on the trust estate and the proceeds thereof prior to the lien of the Bonds.

(j) The Company covenants and agrees to pay to the Trustees from time to time, on demand of the Corporate Trustee, reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of trustees of an express trust) for all services rendered by them hereunder and also their reasonable expenses and counsel fees and other disbursements, and those of their attorneys, agents and employees, incurred in the administration and execution of the trusts hereby created and the

exercise of their powers and the performance of their duties hereunder.

The Company also covenants to indemnify the Trustees for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest to the Corporate Trustee upon all amounts paid, advanced or disbursed by the Corporate Trustee for which it is entitled to reimbursement or indemnity as herein provided.

The Trustees shall have a lien on the trust estate and the proceeds thereof, prior to the lien of the Bonds, for all amounts agreed to be paid by, and for all obligations of, the Company under this clause (j).

(k) Whenever in the administration of the trusts created by this Indenture the Trustees, or either of them, shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, said matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be proved and established by an Officers' Certificate delivered to the Corporate Trustee, but in their discretion the Trustees may require such further or additional evidence as to them may seem reasonable.

(l) The Corporate Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of this Indenture, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Corporate Trustee may agree with the Company to pay.

thereof, to restore the same to the Company upon such conditions as may be approved at said meeting;

(e) to terminate, either before or after an event of default, the lien of this Indenture or any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and to cause the same to revert to the Company free and clear of the lien hereof, upon such conditions as may be approved at said meeting;

(f) to sanction any plan for the reorganization, re-adjustment or liquidation of the Company, or to designate a reorganization manager or managers;

(g) to authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed;

(h) to waive any default on the part of the Company, upon such terms as may be approved at said meeting;

(i) in the event of the unification of the properties of the Company with the properties of any other corporation, to provide for the exclusion of the earnings of such other properties, in whole or in part, in determining Available Net Income, and/or for the determination of Available Net Income without the maintenance of separate accounts, all upon such terms as may be approved at said meeting; and

(j) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture.

The affirmative vote of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) in principal amount of the Affected Bonds at the time outstanding, shall be necessary to the adoption

of any resolution under this Section 6; *provided, however,* (1) that, except to the extent provided in the foregoing subparagraph (c), no such resolution shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon, or shall change the percentage of Bonds required to consent to any amendment, modification or alteration pursuant to this Article Sixteen, and (2) that if the adoption of any such resolution would affect the rights of the holders of the Bonds of any one or more series, but would not affect in the same manner or to the same extent the rights of the holders of the Bonds of any other series, the affirmative vote of holders of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Bonds of each series at the time outstanding shall also be necessary for the adoption of such resolution.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

SECTION 7. The vote upon any resolution shall be by ballot, and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article Sixteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one



mental hereto, unto the Trustees, their successor or successors in trust and their assigns, forever;

SUBJECT, HOWEVER, to any liens on any of said property prior to the lien hereof, now existing or hereafter created in accordance with the provisions hereof, including, without limitation, all right, title and interest of any Trustee under any Equipment Agreement to which the Receivers of the Old Company are parties, or which may be executed by the Company in accordance with the provisions hereof, in, to or in respect of the Equipment subject to such Equipment Agreement.

BUT IN TRUST NEVERTHELESS for the equal and proportionate benefit and security of all of the present and future holders of the Bonds and of any coupons appurtenant thereto, and for the enforcement of the payment of the principal of the Bonds and the premium, if any, and interest thereon, as and when payable, and the performance of and compliance with the covenants and conditions of this Indenture, without preference, priority or distinction as to lien or otherwise of any Bond over any other Bond of the same or any other series by reason of priority in the issue or negotiation or maturity thereof or otherwise, so that, except as in Section 1 of Article Nine hereof otherwise provided, and except for such priorities as among Bonds of different series in respect of sinking fund payments as may be provided in this Indenture or in any indenture supplemental hereto, in accordance with the provisions hereof, each and every Bond shall have the same right, lien and privilege under this Indenture and so that, subject as aforesaid, the principal of, premium, if any, and interest payable on every such Bond shall be equally and ratably secured hereby, as if all such Bonds at any time outstanding had been executed, delivered and negotiated simultaneously with the execution and delivery of this Indenture.

AND IT IS HEREBY COVENANTED AND DECLARED that all of the Bonds, with the coupons for interest thereon, if any,

or Subsidiary Prior Claims, or Substituted System Obligations or Substituted Subsidiary Prior Claims, or, in lieu of any such System Obligations, an instrument or instruments satisfying, releasing and discharging the mortgage, deed of trust or other instrument under which such System Obligations were issued; and

(c) if such Officers' Certificate describes any Subsidiary Prior Claims, or any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, whether after the refunding of such System Obligations or Subsidiary Prior Claims there will be any Prior Liens on the property by which such System Obligations were or are secured or, as the case may be, any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, and, if so, the amount and character of such Prior Liens or Subsidiary Prior Claims;

(3) if the Officers' Certificate delivered pursuant to the foregoing subparagraph (2) shall describe any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, or any Subsidiary Prior Claims against any Subsidiary which was not a Subsidiary at the date of the execution and delivery of this Indenture, an Officers' Certificate stating (i) the cost to the Company of the property on which any such System Obligations are or were a lien, or of the Common Stock of such Subsidiary owned by the Company, (ii) the amount of System Obligations secured by lien on such property at the time of the acquisition thereof, or the amount of Subsidiary Prior Claims against such Subsidiary when such Subsidiary became a Subsidiary, (iii) the principal amount of Bonds and Income Bonds theretofore authenticated and delivered, and the amount of Deposited Cash and

General Mortgage Deposited Cash theretofore paid, in respect of the acquisition of such property or the refunding of System Obligations (other than Bonds) secured by lien thereon, or, as the case may be, in respect of the acquisition of Common Stock of such Subsidiary or the refunding of Subsidiary Prior Claims against such Subsidiary, (iv) the principal amount of System Obligations (other than Bonds) secured by lien on such property after such refunding, or, as the case may be, the principal amount of Subsidiary Prior Claims against such Subsidiary after such refunding, and (v) any amount theretofore charged to the Capital Fund Account in respect of the acquisition of such property or such Common Stock in excess of 25% of the sum of the items specified in clauses (i) and (ii), above;

(4) if the Officers' Certificate delivered to the Corporate Trustee pursuant to the foregoing subparagraph (2) shall state that after such refunding there will be any Prior Liens on the property by which the refunded System Obligations were or are secured, or any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, an Officers' Certificate stating (a) the aggregate principal amount of Bonds and Income Bonds authenticated and delivered, and the aggregate amount of Deposited Cash and General Mortgage Deposited Cash paid, in respect of (i) Capital Expenditures made for Additions and Betterments which, after such refunding, will be subject to any Prior Lien, (ii) the refunding of any System Obligations secured by Prior Lien on any property which, after such authentication and delivery, will be subject to any Prior Lien, (iii) Capital Expenditures for the acquisition of securities of, or Additions and Betterments to the property of, any corporation against which, after such authentication and delivery, any Subsidiary Prior Claims will be out-

standing, or (iv) the refunding of Subsidiary Prior Claims against any such corporation, and (b) the maximum principal amount of Bonds and Income Bonds then or at any one time theretofore outstanding, including, as then outstanding, any Bonds or Income Bonds then to be authenticated and delivered;

(5) an Opinion of Counsel that

(a) the Refunded Securities to be delivered to the Corporate Trustee, as described in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2), are System Obligations, Substituted System Obligations, Subsidiary Prior Claims or Substituted Subsidiary Prior Claims as herein defined, and, upon such delivery, will be valid and binding obligations secured by the same liens, if any, by which the refunded System Obligations or Subsidiary Prior Claims were secured prior to the refunding thereof, or, as the case may be, valid Preferred Stock of a Subsidiary, fully paid and non-assessable;

(b) there are no Prior Liens on the property on which any mortgage, deed of trust or other instrument, any instrument of satisfaction of which is delivered to the Corporate Trustee, constituted a lien; and

(c) after such refunding there will be no Prior Liens on the property on which any Refunded Securities are or were a lien, and no Subsidiary Prior Claims against any Subsidiary, Subsidiary Prior Claims against which are included in such Refunded Securities, other than those specified in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2).

Whenever the Company shall apply for the payment of Escrowed Cash for the purposes specified in Section 4 of

Trustees shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees, provided reasonable care has been exercised in the selection and in the continued employment of any such attorney, agent or employee, nor shall the Trustees be otherwise answerable or accountable under any circumstances whatsoever, except for negligence or bad faith. The Trustees shall not be under any obligation or duty to institute, appear in or defend any suit in respect hereof, unless first reasonably indemnified, and the Trustees shall not be under any obligation to take any action in respect of any default or otherwise or toward the execution or enforcement of any of the trusts hereby created or to institute, appear in or defend any suit or other proceeding in connection therewith, unless one or more of the holders of the Bonds shall, as often as required by the Trustees, furnish them with reasonable security and indemnity against the cost and expenses of said proceeding, but this provision shall not affect any discretionary power herein given to the Trustees to determine whether or not they shall take action in respect of such default or otherwise.

(d) Except as herein otherwise provided any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustees or any other person on the Company, shall be deemed to have been sufficiently given and served for all purposes if deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed (until another address is filed by the Company with the Corporate Trustee and thereafter if addressed to such other address) as follows: Seaboard Air Line Railroad Company, Norfolk, Va. Any notice, request or demand by any holder of a Bond or Bonds to or upon the Trustees, or either of them shall be deemed to have been sufficiently given or made, for all purposes, if

given or made at the principal office of the Corporate Trustee.

(e) The Trustees shall not be bound to recognize any person as the holder of a Bond unless and until the Bond is submitted to the Corporate Trustee for inspection if requested, and the title thereto established to the satisfaction of the Corporate Trustee.

(f) The Trustees shall be justified in relying upon any Request, Certified Resolution or Officers' Certificate delivered to the Corporate Trustee pursuant to any provision of this Indenture, and upon any notice, resolution, request, waiver, consent, order, certificate, statement, affidavit, indemnity, bond, report, appraisal, opinion, telegram, cablegram, radiogram, letter, bond or other paper, document or instrument believed by them, or either of them, in the exercise of due care to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustees shall be entitled, in taking, failing to take, or permitting any action under the provisions of this Indenture, to assume that no Event of Default has happened and is continuing, unless (a) the Corporate Trustee shall have knowledge that an Event of Default has happened and is continuing or (b) the holders of not less than five per cent. (5%) in principal amount of the outstanding Bonds shall have notified the Trustees in writing that an Event of Default has happened and is continuing.

(g) In any instance or instances in which the Trustees are required or permitted, by any provision of this Indenture or in the execution of the trusts hereunder, to exercise discretion, the Trustees may employ an independent engineer, accountant, or other expert or adviser and the Trustees shall be fully protected in relying upon any statement of fact or opinion of any such engineer, accountant, expert or adviser; but noth-

ing in this paragraph shall be construed to require the employment of any such engineer, accountant, expert or adviser.

(h) The Trustees may consult with counsel (who may be counsel for the Company) and the opinion of such counsel and any Opinion of Counsel delivered to the Trustees, or either of them, in accordance with this Indenture shall be full and complete authority and protection in respect of any action taken, suffered or omitted by them, or either of them, hereunder in good faith, in accordance with any such opinion. The Trustees shall not be under any responsibility for the acts or omissions of any counsel, engineer, accountant, expert, appraiser or other person or persons employed for any of the purposes of this Indenture, provided that the Trustee shall have exercised reasonable care in the selection and continued employment of such counsel, engineer, accountant, expert, appraiser or other person or persons.

(i) Any notice, resolution, request, certificate, document or instrument which in accordance with any provision of this Indenture is required or permitted to be delivered to the Trustees, or either of them, may be accepted without further inquiry and the Trustees shall not be liable for any action taken, suffered or omitted in good faith and in reliance thereon. The Trustees shall be under no duty to make any further investigation into the matters covered by any such resolution, certificate, statement, appraisal, opinion, report, order or other paper before granting any application for the authentication or delivery of Bonds or for the payment of any Deposited Cash or for the execution of any release or any other application to the Trustees, or either of them, hereunder, *provided, however*, that if, prior to action had thereon, the holders of not less than ten per cent. (10%) in principal amount of the out-

standing Bonds shall in writing request the Trustees, or the Corporate Trustee, so to do and shall furnish security and indemnity satisfactory to the Corporate Trustee against the costs and expenses of the investigation, the Trustees shall make such further investigation as to the Corporate Trustee may seem proper, and *provided further*, that the Trustees may in their discretion make any such independent inquiry or investigation as they may see fit. If the Trustees shall determine, or shall be requested as aforesaid, to make said further investigation, they shall be entitled to examine the books, records and premises of the Company, themselves or by agent or attorney; and unless the Trustees shall be satisfied, with or without said examination, of the truth and accuracy of the matters stated in any such resolution, certificate, statement, appraisal, opinion, report, order or other paper, the Trustees shall not be under any obligation to grant the application. If after such examination or other inquiry the Trustees shall determine to grant the application, they shall not be liable for any action taken with due care and in good faith. The reasonable expense of every examination shall be paid by the Company, or if paid by the Corporate Trustee, shall be repaid by the Company upon demand, with interest, and until said repayment shall be secured by a lien on the trust estate and the proceeds thereof prior to the lien of the Bonds.

(j) The Company covenants and agrees to pay to the Trustees from time to time, on demand of the Corporate Trustee, reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of trustees of an express trust) for all services rendered by them hereunder and also their reasonable expenses and counsel fees and other disbursements, and those of their attorneys, agents and employees, incurred in the administration and execution of the trusts hereby created and the



exercise of their powers and the performance of their duties hereunder.

The Company also covenants to indemnify the Trustees for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest to the Corporate Trustee upon all amounts paid, advanced or disbursed by the Corporate Trustee for which it is entitled to reimbursement or indemnity as herein provided.

The Trustees shall have a lien on the trust estate and the proceeds thereof, prior to the lien of the Bonds, for all amounts agreed to be paid by, and for all obligations of, the Company under this clause (j).

(k) Whenever in the administration of the trusts created by this Indenture the Trustees, or either of them, shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, said matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be proved and established by an Officers' Certificate delivered to the Corporate Trustee, but in their discretion the Trustees may require such further or additional evidence as to them may seem reasonable.

(l) The Corporate Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of this Indenture, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Corporate Trustee may agree with the Company to pay.

thereof, to restore the same to the Company upon such conditions as may be approved at said meeting;

(e) to terminate, either before or after an event of default, the lien of this Indenture or any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and to cause the same to revert to the Company free and clear of the lien hereof, upon such conditions as may be approved at said meeting;

(f) to sanction any plan for the reorganization, re-adjustment or liquidation of the Company, or to designate a reorganization manager or managers;

(g) to authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed;

(h) to waive any default on the part of the Company, upon such terms as may be approved at said meeting;

(i) in the event of the unification of the properties of the Company with the properties of any other corporation, to provide for the exclusion of the earnings of such other properties, in whole or in part, in determining Available Net Income, and/or for the determination of Available Net Income without the maintenance of separate accounts, all upon such terms as may be approved at said meeting; and

(j) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture.

The affirmative vote of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) in principal amount of the Affected Bonds at the time outstanding, shall be necessary to the adoption

of any resolution under this Section 6; *provided, however,* (1) that, except to the extent provided in the foregoing subparagraph (c), no such resolution shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon, or shall change the percentage of Bonds required to consent to any amendment, modification or alteration pursuant to this Article Sixteen, and (2) that if the adoption of any such resolution would affect the rights of the holders of the Bonds of any one or more series, but would not affect in the same manner or to the same extent the rights of the holders of the Bonds of any other series, the affirmative vote of holders of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Bonds of each series at the time outstanding shall also be necessary for the adoption of such resolution.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

SECTION 7. The vote upon any resolution shall be by ballot, and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article Sixteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one

of the duplicates shall be delivered to the Company and the other to the Corporate Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 8. Any resolution adopted in accordance with the provisions of Section 6 of this Article Sixteen at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and all Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns. The Trustees shall be bound to give effect to any such resolution.

SECTION 9. Bonds authenticated and delivered after the date of any such meeting may bear a notation in form approved by the Corporate Trustee as to any action taken at any such meeting theretofore held, and upon the demand of the holder of any Affected Bond outstanding at the date of any such meeting and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on such Bond, by endorsement or otherwise, as to any action taken at any such meeting theretofore held. If the Company or the Corporate Trustee shall so determine, new Bonds, so modified as to conform, in the opinion of the Trustees, and the Board of Directors, to any resolution adopted as provided in this Article Sixteen shall be prepared by the Company, authenticated by the Corporate Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds with all coupons not previously

or Subsidiary Prior Claims, or Substituted System Obligations or Substituted Subsidiary Prior Claims, or, in lieu of any such System Obligations, an instrument or instruments satisfying, releasing and discharging the mortgage, deed of trust or other instrument under which such System Obligations were issued; and

(c) if such Officers' Certificate describes any Subsidiary Prior Claims, or any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, whether after the refunding of such System Obligations or Subsidiary Prior Claims there will be any Prior Liens on the property by which such System Obligations were or are secured or, as the case may be, any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, and, if so, the amount and character of such Prior Liens or Subsidiary Prior Claims;

(3) if the Officers' Certificate delivered pursuant to the foregoing subparagraph (2) shall describe any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, or any Subsidiary Prior Claims against any Subsidiary which was not a Subsidiary at the date of the execution and delivery of this Indenture, an Officers' Certificate stating (i) the cost to the Company of the property on which any such System Obligations are or were a lien, or of the Common Stock of such Subsidiary owned by the Company, (ii) the amount of System Obligations secured by lien on such property at the time of the acquisition thereof, or the amount of Subsidiary Prior Claims against such Subsidiary when such Subsidiary became a Subsidiary, (iii) the principal amount of Bonds and Income Bonds theretofore authenticated and delivered, and the amount of Deposited Cash and

General Mortgage Deposited Cash theretofore paid, in respect of the acquisition of such property or the refunding of System Obligations (other than Bonds) secured by lien thereon, or, as the case may be, in respect of the acquisition of Common Stock of such Subsidiary or the refunding of Subsidiary Prior Claims against such Subsidiary, (iv) the principal amount of System Obligations (other than Bonds) secured by lien on such property after such refunding, or, as the case may be, the principal amount of Subsidiary Prior Claims against such Subsidiary after such refunding, and (v) any amount theretofore charged to the Capital Fund Account in respect of the acquisition of such property or such Common Stock in excess of 25% of the sum of the items specified in clauses (i) and (ii), above;

(4) if the Officers' Certificate delivered to the Corporate Trustee pursuant to the foregoing subparagraph (2) shall state that after such refunding there will be any Prior Liens on the property by which the refunded System Obligations were or are secured, or any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, an Officers' Certificate stating (a) the aggregate principal amount of Bonds and Income Bonds authenticated and delivered, and the aggregate amount of Deposited Cash and General Mortgage Deposited Cash paid, in respect of (i) Capital Expenditures made for Additions and Betterments which, after such refunding, will be subject to any Prior Lien, (ii) the refunding of any System Obligations secured by Prior Lien on any property which, after such authentication and delivery, will be subject to any Prior Lien, (iii) Capital Expenditures for the acquisition of securities of, or Additions and Betterments to the property of, any corporation against which, after such authentication and delivery, any Subsidiary Prior Claims will be out-

standing, or (iv) the refunding of Subsidiary Prior Claims against any such corporation, and (b) the maximum principal amount of Bonds and Income Bonds then or at any one time theretofore outstanding, including, as then outstanding, any Bonds or Income Bonds then to be authenticated and delivered;

(5) an Opinion of Counsel that

(a) the Refunded Securities to be delivered to the Corporate Trustee, as described in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2), are System Obligations, Substituted System Obligations, Subsidiary Prior Claims or Substituted Subsidiary Prior Claims as herein defined, and, upon such delivery, will be valid and binding obligations secured by the same liens, if any, by which the refunded System Obligations or Subsidiary Prior Claims were secured prior to the refunding thereof, or, as the case may be, valid Preferred Stock of a Subsidiary, fully paid and non-assessable;

(b) there are no Prior Liens on the property on which any mortgage, deed of trust or other instrument, any instrument of satisfaction of which is delivered to the Corporate Trustee, constituted a lien; and

(c) after such refunding there will be no Prior Liens on the property on which any Refunded Securities are or were a lien, and no Subsidiary Prior Claims against any Subsidiary, Subsidiary Prior Claims against which are included in such Refunded Securities, other than those specified in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2).

Whenever the Company shall apply for the payment of Escrowed Cash for the purposes specified in Section 4 of

Trustees shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees, provided reasonable care has been exercised in the selection and in the continued employment of any such attorney, agent or employee, nor shall the Trustees be otherwise answerable or accountable under any circumstances whatsoever, except for negligence or bad faith. The Trustees shall not be under any obligation or duty to institute, appear in or defend any suit in respect hereof, unless first reasonably indemnified, and the Trustees shall not be under any obligation to take any action in respect of any default or otherwise or toward the execution or enforcement of any of the trusts hereby created or to institute, appear in or defend any suit or other proceeding in connection therewith, unless one or more of the holders of the Bonds shall, as often as required by the Trustees, furnish them with reasonable security and indemnity against the cost and expenses of said proceeding, but this provision shall not affect any discretionary power herein given to the Trustees to determine whether or not they shall take action in respect of such default or otherwise.

(d) Except as herein otherwise provided any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustees or any other person on the Company, shall be deemed to have been sufficiently given and served for all purposes if deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed (until another address is filed by the Company with the Corporate Trustee and thereafter if addressed to such other address) as follows: Seaboard Air Line Railroad Company, Norfolk, Va. Any notice, request or demand by any holder of a Bond or Bonds to or upon the Trustees, or either of them shall be deemed to have been sufficiently given or made, for all purposes, if



given or made at the principal office of the Corporate Trustee.

(e) The Trustees shall not be bound to recognize any person as the holder of a Bond unless and until the Bond is submitted to the Corporate Trustee for inspection if requested, and the title thereto established to the satisfaction of the Corporate Trustee.

(f) The Trustees shall be justified in relying upon any Request, Certified Resolution or Officers' Certificate delivered to the Corporate Trustee pursuant to any provision of this Indenture, and upon any notice, resolution, request, waiver, consent, order, certificate, statement, affidavit, indemnity, bond, report, appraisal, opinion, telegram, cablegram, radiogram, letter, bond or other paper, document or instrument believed by them, or either of them, in the exercise of due care to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustees shall be entitled, in taking, failing to take, or permitting any action under the provisions of this Indenture, to assume that no Event of Default has happened and is continuing, unless (a) the Corporate Trustee shall have knowledge that an Event of Default has happened and is continuing or (b) the holders of not less than five per cent. (5%) in principal amount of the outstanding Bonds shall have notified the Trustees in writing that an Event of Default has happened and is continuing.

(g) In any instance or instances in which the Trustees are required or permitted, by any provision of this Indenture or in the execution of the trusts hereunder, to exercise discretion, the Trustees may employ an independent engineer, accountant, or other expert or adviser and the Trustees shall be fully protected in relying upon any statement of fact or opinion of any such engineer, accountant, expert or adviser; but noth-

ing in this paragraph shall be construed to require the employment of any such engineer, accountant, expert or adviser.

(h) The Trustees may consult with counsel (who may be counsel for the Company) and the opinion of such counsel and any Opinion of Counsel delivered to the Trustees, or either of them, in accordance with this Indenture shall be full and complete authority and protection in respect of any action taken, suffered or omitted by them, or either of them, hereunder in good faith, in accordance with any such opinion. The Trustees shall not be under any responsibility for the acts or omissions of any counsel, engineer, accountant, expert, appraiser or other person or persons employed for any of the purposes of this Indenture, provided that the Trustee shall have exercised reasonable care in the selection and continued employment of such counsel, engineer, accountant, expert, appraiser or other person or persons.

(i) Any notice, resolution, request, certificate, document or instrument which in accordance with any provision of this Indenture is required or permitted to be delivered to the Trustees, or either of them, may be accepted without further inquiry and the Trustees shall not be liable for any action taken, suffered or omitted in good faith and in reliance thereon. The Trustees shall be under no duty to make any further investigation into the matters covered by any such resolution, certificate, statement, appraisal, opinion, report, order or other paper before granting any application for the authentication or delivery of Bonds or for the payment of any Deposited Cash or for the execution of any release or any other application to the Trustees, or either of them, hereunder, *provided, however*, that if, prior to action had thereon, the holders of not less than ten per cent. (10%) in principal amount of the out-

standing Bonds shall in writing request the Trustees, or the Corporate Trustee, so to do and shall furnish security and indemnity satisfactory to the Corporate Trustee against the costs and expenses of the investigation, the Trustees shall make such further investigation as to the Corporate Trustee may seem proper, and *provided further*, that the Trustees may in their discretion make any such independent inquiry or investigation as they may see fit. If the Trustees shall determine, or shall be requested as aforesaid, to make said further investigation, they shall be entitled to examine the books, records and premises of the Company, themselves or by agent or attorney; and unless the Trustees shall be satisfied, with or without said examination, of the truth and accuracy of the matters stated in any such resolution, certificate, statement, appraisal, opinion, report, order or other paper, the Trustees shall not be under any obligation to grant the application. If after such examination or other inquiry the Trustees shall determine to grant the application, they shall not be liable for any action taken with due care and in good faith. The reasonable expense of every examination shall be paid by the Company, or if paid by the Corporate Trustee, shall be repaid by the Company upon demand, with interest, and until said repayment shall be secured by a lien on the trust estate and the proceeds thereof prior to the lien of the Bonds.

(j) The Company covenants and agrees to pay to the Trustees from time to time, on demand of the Corporate Trustee, reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of trustees of an express trust) for all services rendered by them hereunder and also their reasonable expenses and counsel fees and other disbursements, and those of their attorneys, agents and employees, incurred in the administration and execution of the trusts hereby created and the

exercise of their powers and the performance of their duties hereunder.

The Company also covenants to indemnify the Trustees for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest to the Corporate Trustee upon all amounts paid, advanced or disbursed by the Corporate Trustee for which it is entitled to reimbursement or indemnity as herein provided.

The Trustees shall have a lien on the trust estate and the proceeds thereof, prior to the lien of the Bonds, for all amounts agreed to be paid by, and for all obligations of, the Company under this clause (j).

(k) Whenever in the administration of the trusts created by this Indenture the Trustees, or either of them, shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, said matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be proved and established by an Officers' Certificate delivered to the Corporate Trustee, but in their discretion the Trustees may require such further or additional evidence as to them may seem reasonable.

(l) The Corporate Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of this Indenture, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Corporate Trustee may agree with the Company to pay.

thereof, to restore the same to the Company upon such conditions as may be approved at said meeting;

(e) to terminate, either before or after an event of default, the lien of this Indenture or any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and to cause the same to revert to the Company free and clear of the lien hereof, upon such conditions as may be approved at said meeting;

(f) to sanction any plan for the reorganization, re-adjustment or liquidation of the Company, or to designate a reorganization manager or managers;

(g) to authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed;

(h) to waive any default on the part of the Company, upon such terms as may be approved at said meeting;

(i) in the event of the unification of the properties of the Company with the properties of any other corporation, to provide for the exclusion of the earnings of such other properties, in whole or in part, in determining Available Net Income, and/or for the determination of Available Net Income without the maintenance of separate accounts, all upon such terms as may be approved at said meeting; and

(j) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture.

The affirmative vote of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) in principal amount of the Affected Bonds at the time outstanding, shall be necessary to the adoption

of any resolution under this Section 6; *provided, however,* (1) that, except to the extent provided in the foregoing subparagraph (c), no such resolution shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon, or shall change the percentage of Bonds required to consent to any amendment, modification or alteration pursuant to this Article Sixteen, and (2) that if the adoption of any such resolution would affect the rights of the holders of the Bonds of any one or more series, but would not affect in the same manner or to the same extent the rights of the holders of the Bonds of any other series, the affirmative vote of holders of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Bonds of each series at the time outstanding shall also be necessary for the adoption of such resolution.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

SECTION 7. The vote upon any resolution shall be by ballot, and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article Sixteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one

of the duplicates shall be delivered to the Company and the other to the Corporate Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 8. Any resolution adopted in accordance with the provisions of Section 6 of this Article Sixteen at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and all Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns. The Trustees shall be bound to give effect to any such resolution.

SECTION 9. Bonds authenticated and delivered after the date of any such meeting may bear a notation in form approved by the Corporate Trustee as to any action taken at any such meeting theretofore held, and upon the demand of the holder of any Affected Bond outstanding at the date of any such meeting and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on such Bond, by endorsement or otherwise, as to any action taken at any such meeting theretofore held. If the Company or the Corporate Trustee shall so determine, new Bonds, so modified as to conform, in the opinion of the Trustees, and the Board of Directors, to any resolution adopted as provided in this Article Sixteen shall be prepared by the Company, authenticated by the Corporate Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds with all coupons not previously

payable, in equal aggregate principal amounts. The Company or the Corporate Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

Indentures supplemental to this Indenture, embodying any modification or repeal of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds and appurtenant coupons, made as provided in this Article Sixteen, may be executed by the Trustees and the Company, and, upon demand of the Corporate Trustee, or if so specified in any resolution adopted at any meeting provided for in this Article Sixteen, shall be executed by the Company and the Trustees.

SECTION 10. Any power exercisable at any meeting convened pursuant to this Article Sixteen may also be exercised by an instrument or instruments signed by the holders of the same percentage of Affected Bonds as would be required for the adoption of a resolution pursuant to Section 6 of this Article Sixteen and delivered to the Corporate Trustee together with such proof of the fact and date of the execution thereof, and the fact and date of the holding of Bonds by the signers thereof, as may be required by the Trustees under the provisions of Article Eleven hereof.

## ARTICLE SEVENTEEN.

### MISCELLANEOUS PROVISIONS.

SECTION 1. Except as otherwise expressly provided in this Indenture, all coupon Bonds and appurtenant coupons cancelled pursuant to any provisions of this Indenture shall be cremated, subject to such rules and regula-



tions, if any, as may be prescribed by the Interstate Commerce Commission; unless such rules and regulations otherwise require, any such cremation shall be by the Corporate Trustee. Registered Bonds without coupons cancelled pursuant to any provision of this Indenture shall be delivered from time to time to the Company.

SECTION 2. Any moneys received by any Paying Agent under any provision of this Indenture for the payment of the principal of, or the premium, if any, or interest on, the Bonds shall be held in trust for the holders of the Bonds and coupons for the payment of which such moneys were received until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the general funds of the Paying Agent, and the Paying Agent shall not be under any liability for interest on any such moneys, except such as it may agree with the Company to pay thereon.

Upon the request of the Company any moneys held by any Paying Agent or by the Corporate Trustee which shall have been deposited for the payment of the principal of, or the premium, if any, or interest on, any Bonds and which may remain unclaimed by the holders of Bonds or coupons respectively entitled thereto for six years after the date when such moneys were payable shall be repaid by the Paying Agent or the Corporate Trustee, as the case may be, to the Company and any liability of the Paying Agent or the Corporate Trustee with respect to such moneys shall cease upon such repayment and the holders of such Bonds and coupons shall thereafter be entitled to look only to the Company, as the holders of general claims, for the payment thereof, subject to the applicable statute of limitations, *provided, however*, that the Corporate Trustee, before being required to make any such repayment, may, at the expense of the Company, cause notice that such moneys have not been claimed and that after a date speci-

fied therein any unclaimed balance of such moneys then remaining will be repaid to the Company, to be published once each week for four successive weeks in one Qualified Newspaper in the Borough of Manhattan, City and State of New York and one Qualified Newspaper in the City of Baltimore, Maryland.

In no event shall the holders of such Bonds or coupons be entitled to interest upon moneys so deposited, whether remaining with the Paying Agent or the Corporate Trustee or so repaid to the Company.

SECTION 3. No director or officer of the Company shall incur any liability to any holder of any Bond or coupon in respect of any exercise, in good faith, of any discretion conferred on such officer, or on the Board of Directors, under any provision of this Indenture.

The Company will indemnify each officer and director against all costs, expenses and liabilities resulting from, or in connection with, any suit or other legal proceedings instituted against any such officer or director by any holder of any Bond or coupon, including, without limitation, the cost of any settlement of any claim made in any such suit or other proceedings which shall have been approved by the Board of Directors; *provided, however*, that the provisions of this paragraph shall not be applicable unless the Board of Directors, after such investigation as it may deem proper, shall determine that in its opinion the action complained of was taken in good faith and without intention to violate the provisions of this Indenture.

SECTION 4. Nothing in this Indenture expressed or implied is intended or shall be construed to give to any person, firm or corporation other than the parties hereto and the holders of the Bonds and coupons, any legal or equitable right, remedy or claim under or in respect of this

or Subsidiary Prior Claims, or Substituted System Obligations or Substituted Subsidiary Prior Claims, or, in lieu of any such System Obligations, an instrument or instruments satisfying, releasing and discharging the mortgage, deed of trust or other instrument under which such System Obligations were issued; and

(c) if such Officers' Certificate describes any Subsidiary Prior Claims, or any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, whether after the refunding of such System Obligations or Subsidiary Prior Claims there will be any Prior Liens on the property by which such System Obligations were or are secured or, as the case may be, any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, and, if so, the amount and character of such Prior Liens or Subsidiary Prior Claims;

(3) if the Officers' Certificate delivered pursuant to the foregoing subparagraph (2) shall describe any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, or any Subsidiary Prior Claims against any Subsidiary which was not a Subsidiary at the date of the execution and delivery of this Indenture, an Officers' Certificate stating (i) the cost to the Company of the property on which any such System Obligations are or were a lien, or of the Common Stock of such Subsidiary owned by the Company, (ii) the amount of System Obligations secured by lien on such property at the time of the acquisition thereof, or the amount of Subsidiary Prior Claims against such Subsidiary when such Subsidiary became a Subsidiary, (iii) the principal amount of Bonds and Income Bonds theretofore authenticated and delivered, and the amount of Deposited Cash and

General Mortgage Deposited Cash theretofore paid, in respect of the acquisition of such property or the refunding of System Obligations (other than Bonds) secured by lien thereon, or, as the case may be, in respect of the acquisition of Common Stock of such Subsidiary or the refunding of Subsidiary Prior Claims against such Subsidiary, (iv) the principal amount of System Obligations (other than Bonds) secured by lien on such property after such refunding, or, as the case may be, the principal amount of Subsidiary Prior Claims against such Subsidiary after such refunding, and (v) any amount theretofore charged to the Capital Fund Account in respect of the acquisition of such property or such Common Stock in excess of 25% of the sum of the items specified in clauses (i) and (ii), above;

(4) if the Officers' Certificate delivered to the Corporate Trustee pursuant to the foregoing subparagraph (2) shall state that after such refunding there will be any Prior Liens on the property by which the refunded System Obligations were or are secured, or any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, an Officers' Certificate stating (a) the aggregate principal amount of Bonds and Income Bonds authenticated and delivered, and the aggregate amount of Deposited Cash and General Mortgage Deposited Cash paid, in respect of (i) Capital Expenditures made for Additions and Betterments which, after such refunding, will be subject to any Prior Lien, (ii) the refunding of any System Obligations secured by Prior Lien on any property which, after such authentication and delivery, will be subject to any Prior Lien, (iii) Capital Expenditures for the acquisition of securities of, or Additions and Betterments to the property of, any corporation against which, after such authentication and delivery, any Subsidiary Prior Claims will be out-

standing, or (iv) the refunding of Subsidiary Prior Claims against any such corporation, and (b) the maximum principal amount of Bonds and Income Bonds then or at any one time theretofore outstanding, including, as then outstanding, any Bonds or Income Bonds then to be authenticated and delivered;

(5) an Opinion of Counsel that

(a) the Refunded Securities to be delivered to the Corporate Trustee, as described in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2), are System Obligations, Substituted System Obligations, Subsidiary Prior Claims or Substituted Subsidiary Prior Claims as herein defined, and, upon such delivery, will be valid and binding obligations secured by the same liens, if any, by which the refunded System Obligations or Subsidiary Prior Claims were secured prior to the refunding thereof, or, as the case may be, valid Preferred Stock of a Subsidiary, fully paid and non-assessable;

(b) there are no Prior Liens on the property on which any mortgage, deed of trust or other instrument, any instrument of satisfaction of which is delivered to the Corporate Trustee, constituted a lien; and

(c) after such refunding there will be no Prior Liens on the property on which any Refunded Securities are or were a lien, and no Subsidiary Prior Claims against any Subsidiary, Subsidiary Prior Claims against which are included in such Refunded Securities, other than those specified in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2).

Whenever the Company shall apply for the payment of Escrowed Cash for the purposes specified in Section 4 of

Trustees shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees, provided reasonable care has been exercised in the selection and in the continued employment of any such attorney, agent or employee, nor shall the Trustees be otherwise answerable or accountable under any circumstances whatsoever, except for negligence or bad faith. The Trustees shall not be under any obligation or duty to institute, appear in or defend any suit in respect hereof, unless first reasonably indemnified, and the Trustees shall not be under any obligation to take any action in respect of any default or otherwise or toward the execution or enforcement of any of the trusts hereby created or to institute, appear in or defend any suit or other proceeding in connection therewith, unless one or more of the holders of the Bonds shall, as often as required by the Trustees, furnish them with reasonable security and indemnity against the cost and expenses of said proceeding, but this provision shall not affect any discretionary power herein given to the Trustees to determine whether or not they shall take action in respect of such default or otherwise.

(d) Except as herein otherwise provided any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustees or any other person on the Company, shall be deemed to have been sufficiently given and served for all purposes if deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed (until another address is filed by the Company with the Corporate Trustee and thereafter if addressed to such other address) as follows: Seaboard Air Line Railroad Company, Norfolk, Va. Any notice, request or demand by any holder of a Bond or Bonds to or upon the Trustees, or either of them shall be deemed to have been sufficiently given or made, for all purposes, if

given or made at the principal office of the Corporate Trustee.

(e) The Trustees shall not be bound to recognize any person as the holder of a Bond unless and until the Bond is submitted to the Corporate Trustee for inspection if requested, and the title thereto established to the satisfaction of the Corporate Trustee.

(f) The Trustees shall be justified in relying upon any Request, Certified Resolution or Officers' Certificate delivered to the Corporate Trustee pursuant to any provision of this Indenture, and upon any notice, resolution, request, waiver, consent, order, certificate, statement, affidavit, indemnity, bond, report, appraisal, opinion, telegram, cablegram, radiogram, letter, bond or other paper, document or instrument believed by them, or either of them, in the exercise of due care to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustees shall be entitled, in taking, failing to take, or permitting any action under the provisions of this Indenture, to assume that no Event of Default has happened and is continuing, unless (a) the Corporate Trustee shall have knowledge that an Event of Default has happened and is continuing or (b) the holders of not less than five per cent. (5%) in principal amount of the outstanding Bonds shall have notified the Trustees in writing that an Event of Default has happened and is continuing.

(g) In any instance or instances in which the Trustees are required or permitted, by any provision of this Indenture or in the execution of the trusts hereunder, to exercise discretion, the Trustees may employ an independent engineer, accountant, or other expert or adviser and the Trustees shall be fully protected in relying upon any statement of fact or opinion of any such engineer, accountant, expert or adviser; but noth-

ing in this paragraph shall be construed to require the employment of any such engineer, accountant, expert or adviser.

(h) The Trustees may consult with counsel (who may be counsel for the Company) and the opinion of such counsel and any Opinion of Counsel delivered to the Trustees, or either of them, in accordance with this Indenture shall be full and complete authority and protection in respect of any action taken, suffered or omitted by them, or either of them, hereunder in good faith, in accordance with any such opinion. The Trustees shall not be under any responsibility for the acts or omissions of any counsel, engineer, accountant, expert, appraiser or other person or persons employed for any of the purposes of this Indenture, provided that the Trustee shall have exercised reasonable care in the selection and continued employment of such counsel, engineer, accountant, expert, appraiser or other person or persons.

(i) Any notice, resolution, request, certificate, document or instrument which in accordance with any provision of this Indenture is required or permitted to be delivered to the Trustees, or either of them, may be accepted without further inquiry and the Trustees shall not be liable for any action taken, suffered or omitted in good faith and in reliance thereon. The Trustees shall be under no duty to make any further investigation into the matters covered by any such resolution, certificate, statement, appraisal, opinion, report, order or other paper before granting any application for the authentication or delivery of Bonds or for the payment of any Deposited Cash or for the execution of any release or any other application to the Trustees, or either of them, hereunder, *provided, however*, that if, prior to action had thereon, the holders of not less than ten per cent. (10%) in principal amount of the out-



standing Bonds shall in writing request the Trustees, or the Corporate Trustee, so to do and shall furnish security and indemnity satisfactory to the Corporate Trustee against the costs and expenses of the investigation, the Trustees shall make such further investigation as to the Corporate Trustee may seem proper, and *provided further*, that the Trustees may in their discretion make any such independent inquiry or investigation as they may see fit. If the Trustees shall determine, or shall be requested as aforesaid, to make said further investigation, they shall be entitled to examine the books, records and premises of the Company, themselves or by agent or attorney; and unless the Trustees shall be satisfied, with or without said examination, of the truth and accuracy of the matters stated in any such resolution, certificate, statement, appraisal, opinion, report, order or other paper, the Trustees shall not be under any obligation to grant the application. If after such examination or other inquiry the Trustees shall determine to grant the application, they shall not be liable for any action taken with due care and in good faith. The reasonable expense of every examination shall be paid by the Company, or if paid by the Corporate Trustee, shall be repaid by the Company upon demand, with interest, and until said repayment shall be secured by a lien on the trust estate and the proceeds thereof prior to the lien of the Bonds.

(j) The Company covenants and agrees to pay to the Trustees from time to time, on demand of the Corporate Trustee, reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of trustees of an express trust) for all services rendered by them hereunder and also their reasonable expenses and counsel fees and other disbursements, and those of their attorneys, agents and employees, incurred in the administration and execution of the trusts hereby created and the

exercise of their powers and the performance of their duties hereunder.

The Company also covenants to indemnify the Trustees for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest to the Corporate Trustee upon all amounts paid, advanced or disbursed by the Corporate Trustee for which it is entitled to reimbursement or indemnity as herein provided.

The Trustees shall have a lien on the trust estate and the proceeds thereof, prior to the lien of the Bonds, for all amounts agreed to be paid by, and for all obligations of, the Company under this clause (j).

(k) Whenever in the administration of the trusts created by this Indenture the Trustees, or either of them, shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, said matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be proved and established by an Officers' Certificate delivered to the Corporate Trustee, but in their discretion the Trustees may require such further or additional evidence as to them may seem reasonable.

(l) The Corporate Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of this Indenture, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Corporate Trustee may agree with the Company to pay.

thereof, to restore the same to the Company upon such conditions as may be approved at said meeting;

(e) to terminate, either before or after an event of default, the lien of this Indenture or any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and to cause the same to revert to the Company free and clear of the lien hereof, upon such conditions as may be approved at said meeting;

(f) to sanction any plan for the reorganization, re-adjustment or liquidation of the Company, or to designate a reorganization manager or managers;

(g) to authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed;

(h) to waive any default on the part of the Company, upon such terms as may be approved at said meeting;

(i) in the event of the unification of the properties of the Company with the properties of any other corporation, to provide for the exclusion of the earnings of such other properties, in whole or in part, in determining Available Net Income, and/or for the determination of Available Net Income without the maintenance of separate accounts, all upon such terms as may be approved at said meeting; and

(j) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture.

The affirmative vote of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) in principal amount of the Affected Bonds at the time outstanding, shall be necessary to the adoption

of any resolution under this Section 6; *provided, however,* (1) that, except to the extent provided in the foregoing subparagraph (c), no such resolution shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon, or shall change the percentage of Bonds required to consent to any amendment, modification or alteration pursuant to this Article Sixteen, and (2) that if the adoption of any such resolution would affect the rights of the holders of the Bonds of any one or more series, but would not affect in the same manner or to the same extent the rights of the holders of the Bonds of any other series, the affirmative vote of holders of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Bonds of each series at the time outstanding shall also be necessary for the adoption of such resolution.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

SECTION 7. The vote upon any resolution shall be by ballot, and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article Sixteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one

of the duplicates shall be delivered to the Company and the other to the Corporate Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 8. Any resolution adopted in accordance with the provisions of Section 6 of this Article Sixteen at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and all Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns. The Trustees shall be bound to give effect to any such resolution.

SECTION 9. Bonds authenticated and delivered after the date of any such meeting may bear a notation in form approved by the Corporate Trustee as to any action taken at any such meeting theretofore held, and upon the demand of the holder of any Affected Bond outstanding at the date of any such meeting and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on such Bond, by endorsement or otherwise, as to any action taken at any such meeting theretofore held. If the Company or the Corporate Trustee shall so determine, new Bonds, so modified as to conform, in the opinion of the Trustees, and the Board of Directors, to any resolution adopted as provided in this Article Sixteen shall be prepared by the Company, authenticated by the Corporate Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds with all coupons not previously

payable, in equal aggregate principal amounts. The Company or the Corporate Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

Indentures supplemental to this Indenture, embodying any modification or repeal of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds and appurtenant coupons, made as provided in this Article Sixteen, may be executed by the Trustees and the Company, and, upon demand of the Corporate Trustee, or if so specified in any resolution adopted at any meeting provided for in this Article Sixteen, shall be executed by the Company and the Trustees.

SECTION 10. Any power exercisable at any meeting convened pursuant to this Article Sixteen may also be exercised by an instrument or instruments signed by the holders of the same percentage of Affected Bonds as would be required for the adoption of a resolution pursuant to Section 6 of this Article Sixteen and delivered to the Corporate Trustee together with such proof of the fact and date of the execution thereof, and the fact and date of the holding of Bonds by the signers thereof, as may be required by the Trustees under the provisions of Article Eleven hereof.

## ARTICLE SEVENTEEN.

### MISCELLANEOUS PROVISIONS.

SECTION 1. Except as otherwise expressly provided in this Indenture, all coupon Bonds and appurtenant coupons cancelled pursuant to any provisions of this Indenture shall be cremated, subject to such rules and regula-

or Subsidiary Prior Claims, or Substituted System Obligations or Substituted Subsidiary Prior Claims, or, in lieu of any such System Obligations, an instrument or instruments satisfying, releasing and discharging the mortgage, deed of trust or other instrument under which such System Obligations were issued; and

(c) if such Officers' Certificate describes any Subsidiary Prior Claims, or any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, whether after the refunding of such System Obligations or Subsidiary Prior Claims there will be any Prior Liens on the property by which such System Obligations were or are secured or, as the case may be, any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, and, if so, the amount and character of such Prior Liens or Subsidiary Prior Claims;

(3) if the Officers' Certificate delivered pursuant to the foregoing subparagraph (2) shall describe any System Obligations other than Bonds or securities of the Company secured by pledge of Bonds, or any Subsidiary Prior Claims against any Subsidiary which was not a Subsidiary at the date of the execution and delivery of this Indenture, an Officers' Certificate stating (i) the cost to the Company of the property on which any such System Obligations are or were a lien, or of the Common Stock of such Subsidiary owned by the Company, (ii) the amount of System Obligations secured by lien on such property at the time of the acquisition thereof, or the amount of Subsidiary Prior Claims against such Subsidiary when such Subsidiary became a Subsidiary, (iii) the principal amount of Bonds and Income Bonds theretofore authenticated and delivered, and the amount of Deposited Cash and

General Mortgage Deposited Cash theretofore paid, in respect of the acquisition of such property or the refunding of System Obligations (other than Bonds) secured by lien thereon, or, as the case may be, in respect of the acquisition of Common Stock of such Subsidiary or the refunding of Subsidiary Prior Claims against such Subsidiary, (iv) the principal amount of System Obligations (other than Bonds) secured by lien on such property after such refunding, or, as the case may be, the principal amount of Subsidiary Prior Claims against such Subsidiary after such refunding, and (v) any amount theretofore charged to the Capital Fund Account in respect of the acquisition of such property or such Common Stock in excess of 25% of the sum of the items specified in clauses (i) and (ii), above;

(4) if the Officers' Certificate delivered to the Corporate Trustee pursuant to the foregoing subparagraph (2) shall state that after such refunding there will be any Prior Liens on the property by which the refunded System Obligations were or are secured, or any Subsidiary Prior Claims against the Subsidiary, Subsidiary Prior Claims against which are being refunded, an Officers' Certificate stating (a) the aggregate principal amount of Bonds and Income Bonds authenticated and delivered, and the aggregate amount of Deposited Cash and General Mortgage Deposited Cash paid, in respect of (i) Capital Expenditures made for Additions and Betterments which, after such refunding, will be subject to any Prior Lien, (ii) the refunding of any System Obligations secured by Prior Lien on any property which, after such authentication and delivery, will be subject to any Prior Lien, (iii) Capital Expenditures for the acquisition of securities of, or Additions and Betterments to the property of, any corporation against which, after such authentication and delivery, any Subsidiary Prior Claims will be out-



standing, or (iv) the refunding of Subsidiary Prior Claims against any such corporation, and (b) the maximum principal amount of Bonds and Income Bonds then or at any one time theretofore outstanding, including, as then outstanding, any Bonds or Income Bonds then to be authenticated and delivered;

(5) an Opinion of Counsel that

(a) the Refunded Securities to be delivered to the Corporate Trustee, as described in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2), are System Obligations, Substituted System Obligations, Subsidiary Prior Claims or Substituted Subsidiary Prior Claims as herein defined, and, upon such delivery, will be valid and binding obligations secured by the same liens, if any, by which the refunded System Obligations or Subsidiary Prior Claims were secured prior to the refunding thereof, or, as the case may be, valid Preferred Stock of a Subsidiary, fully paid and non-assessable;

(b) there are no Prior Liens on the property on which any mortgage, deed of trust or other instrument, any instrument of satisfaction of which is delivered to the Corporate Trustee, constituted a lien; and

(c) after such refunding there will be no Prior Liens on the property on which any Refunded Securities are or were a lien, and no Subsidiary Prior Claims against any Subsidiary, Subsidiary Prior Claims against which are included in such Refunded Securities, other than those specified in the Officers' Certificate delivered pursuant to the foregoing subparagraph (2).

Whenever the Company shall apply for the payment of Escrowed Cash for the purposes specified in Section 4 of

Trustees shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees, provided reasonable care has been exercised in the selection and in the continued employment of any such attorney, agent or employee, nor shall the Trustees be otherwise answerable or accountable under any circumstances whatsoever, except for negligence or bad faith. The Trustees shall not be under any obligation or duty to institute, appear in or defend any suit in respect hereof, unless first reasonably indemnified, and the Trustees shall not be under any obligation to take any action in respect of any default or otherwise or toward the execution or enforcement of any of the trusts hereby created or to institute, appear in or defend any suit or other proceeding in connection therewith, unless one or more of the holders of the Bonds shall, as often as required by the Trustees, furnish them with reasonable security and indemnity against the cost and expenses of said proceeding, but this provision shall not affect any discretionary power herein given to the Trustees to determine whether or not they shall take action in respect of such default or otherwise.

(d) Except as herein otherwise provided any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustees or any other person on the Company, shall be deemed to have been sufficiently given and served for all purposes if deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed (until another address is filed by the Company with the Corporate Trustee and thereafter if addressed to such other address) as follows: Seaboard Air Line Railroad Company, Norfolk, Va. Any notice, request or demand by any holder of a Bond or Bonds to or upon the Trustees, or either of them shall be deemed to have been sufficiently given or made, for all purposes, if

given or made at the principal office of the Corporate Trustee.

(e) The Trustees shall not be bound to recognize any person as the holder of a Bond unless and until the Bond is submitted to the Corporate Trustee for inspection if requested, and the title thereto established to the satisfaction of the Corporate Trustee.

(f) The Trustees shall be justified in relying upon any Request, Certified Resolution or Officers' Certificate delivered to the Corporate Trustee pursuant to any provision of this Indenture, and upon any notice, resolution, request, waiver, consent, order, certificate, statement, affidavit, indemnity, bond, report, appraisal, opinion, telegram, cablegram, radiogram, letter, bond or other paper, document or instrument believed by them, or either of them, in the exercise of due care to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustees shall be entitled, in taking, failing to take, or permitting any action under the provisions of this Indenture, to assume that no Event of Default has happened and is continuing, unless (a) the Corporate Trustee shall have knowledge that an Event of Default has happened and is continuing or (b) the holders of not less than five per cent. (5%) in principal amount of the outstanding Bonds shall have notified the Trustees in writing that an Event of Default has happened and is continuing.

(g) In any instance or instances in which the Trustees are required or permitted, by any provision of this Indenture or in the execution of the trusts hereunder, to exercise discretion, the Trustees may employ an independent engineer, accountant, or other expert or adviser and the Trustees shall be fully protected in relying upon any statement of fact or opinion of any such engineer, accountant, expert or adviser; but noth-

ing in this paragraph shall be construed to require the employment of any such engineer, accountant, expert or adviser.

(h) The Trustees may consult with counsel (who may be counsel for the Company) and the opinion of such counsel and any Opinion of Counsel delivered to the Trustees, or either of them, in accordance with this Indenture shall be full and complete authority and protection in respect of any action taken, suffered or omitted by them, or either of them, hereunder in good faith, in accordance with any such opinion. The Trustees shall not be under any responsibility for the acts or omissions of any counsel, engineer, accountant, expert, appraiser or other person or persons employed for any of the purposes of this Indenture, provided that the Trustee shall have exercised reasonable care in the selection and continued employment of such counsel, engineer, accountant, expert, appraiser or other person or persons.

(i) Any notice, resolution, request, certificate, document or instrument which in accordance with any provision of this Indenture is required or permitted to be delivered to the Trustees, or either of them, may be accepted without further inquiry and the Trustees shall not be liable for any action taken, suffered or omitted in good faith and in reliance thereon. The Trustees shall be under no duty to make any further investigation into the matters covered by any such resolution, certificate, statement, appraisal, opinion, report, order or other paper before granting any application for the authentication or delivery of Bonds or for the payment of any Deposited Cash or for the execution of any release or any other application to the Trustees, or either of them, hereunder, *provided, however*, that if, prior to action had thereon, the holders of not less than ten per cent. (10%) in principal amount of the out-

standing Bonds shall in writing request the Trustees, or the Corporate Trustee, so to do and shall furnish security and indemnity satisfactory to the Corporate Trustee against the costs and expenses of the investigation, the Trustees shall make such further investigation as to the Corporate Trustee may seem proper, and *provided further*, that the Trustees may in their discretion make any such independent inquiry or investigation as they may see fit. If the Trustees shall determine, or shall be requested as aforesaid, to make said further investigation, they shall be entitled to examine the books, records and premises of the Company, themselves or by agent or attorney; and unless the Trustees shall be satisfied, with or without said examination, of the truth and accuracy of the matters stated in any such resolution, certificate, statement, appraisal, opinion, report, order or other paper, the Trustees shall not be under any obligation to grant the application. If after such examination or other inquiry the Trustees shall determine to grant the application, they shall not be liable for any action taken with due care and in good faith. The reasonable expense of every examination shall be paid by the Company, or if paid by the Corporate Trustee, shall be repaid by the Company upon demand, with interest, and until said repayment shall be secured by a lien on the trust estate and the proceeds thereof prior to the lien of the Bonds.

(j) The Company covenants and agrees to pay to the Trustees from time to time, on demand of the Corporate Trustee, reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of trustees of an express trust) for all services rendered by them hereunder and also their reasonable expenses and counsel fees and other disbursements, and those of their attorneys, agents and employees, incurred in the administration and execution of the trusts hereby created and the

exercise of their powers and the performance of their duties hereunder.

The Company also covenants to indemnify the Trustees for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest to the Corporate Trustee upon all amounts paid, advanced or disbursed by the Corporate Trustee for which it is entitled to reimbursement or indemnity as herein provided.

The Trustees shall have a lien on the trust estate and the proceeds thereof, prior to the lien of the Bonds, for all amounts agreed to be paid by, and for all obligations of, the Company under this clause (j).

(k) Whenever in the administration of the trusts created by this Indenture the Trustees, or either of them, shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, said matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be proved and established by an Officers' Certificate delivered to the Corporate Trustee, but in their discretion the Trustees may require such further or additional evidence as to them may seem reasonable.

(l) The Corporate Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of this Indenture, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Corporate Trustee may agree with the Company to pay.

thereof, to restore the same to the Company upon such conditions as may be approved at said meeting;

(e) to terminate, either before or after an event of default, the lien of this Indenture or any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and to cause the same to revert to the Company free and clear of the lien hereof, upon such conditions as may be approved at said meeting;

(f) to sanction any plan for the reorganization, re-adjustment or liquidation of the Company, or to designate a reorganization manager or managers;

(g) to authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed;

(h) to waive any default on the part of the Company, upon such terms as may be approved at said meeting;

(i) in the event of the unification of the properties of the Company with the properties of any other corporation, to provide for the exclusion of the earnings of such other properties, in whole or in part, in determining Available Net Income, and/or for the determination of Available Net Income without the maintenance of separate accounts, all upon such terms as may be approved at said meeting; and

(j) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture.

The affirmative vote of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) in principal amount of the Affected Bonds at the time outstanding, shall be necessary to the adoption

of any resolution under this Section 6; *provided, however,* (1) that, except to the extent provided in the foregoing subparagraph (c), no such resolution shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon, or shall change the percentage of Bonds required to consent to any amendment, modification or alteration pursuant to this Article Sixteen, and (2) that if the adoption of any such resolution would affect the rights of the holders of the Bonds of any one or more series, but would not affect in the same manner or to the same extent the rights of the holders of the Bonds of any other series, the affirmative vote of holders of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Bonds of each series at the time outstanding shall also be necessary for the adoption of such resolution.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

SECTION 7. The vote upon any resolution shall be by ballot, and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article Sixteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one



of the duplicates shall be delivered to the Company and the other to the Corporate Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 8. Any resolution adopted in accordance with the provisions of Section 6 of this Article Sixteen at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and all Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns. The Trustees shall be bound to give effect to any such resolution.

SECTION 9. Bonds authenticated and delivered after the date of any such meeting may bear a notation in form approved by the Corporate Trustee as to any action taken at any such meeting theretofore held, and upon the demand of the holder of any Affected Bond outstanding at the date of any such meeting and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on such Bond, by endorsement or otherwise, as to any action taken at any such meeting theretofore held. If the Company or the Corporate Trustee shall so determine, new Bonds, so modified as to conform, in the opinion of the Trustees, and the Board of Directors, to any resolution adopted as provided in this Article Sixteen shall be prepared by the Company, authenticated by the Corporate Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds with all coupons not previously

payable, in equal aggregate principal amounts. The Company or the Corporate Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

Indentures supplemental to this Indenture, embodying any modification or repeal of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds and appurtenant coupons, made as provided in this Article Sixteen, may be executed by the Trustees and the Company, and, upon demand of the Corporate Trustee, or if so specified in any resolution adopted at any meeting provided for in this Article Sixteen, shall be executed by the Company and the Trustees.

SECTION 10. Any power exercisable at any meeting convened pursuant to this Article Sixteen may also be exercised by an instrument or instruments signed by the holders of the same percentage of Affected Bonds as would be required for the adoption of a resolution pursuant to Section 6 of this Article Sixteen and delivered to the Corporate Trustee together with such proof of the fact and date of the execution thereof, and the fact and date of the holding of Bonds by the signers thereof, as may be required by the Trustees under the provisions of Article Eleven hereof.

## ARTICLE SEVENTEEN.

### MISCELLANEOUS PROVISIONS.

SECTION 1. Except as otherwise expressly provided in this Indenture, all coupon Bonds and appurtenant coupons cancelled pursuant to any provisions of this Indenture shall be cremated, subject to such rules and regula-

tions, if any, as may be prescribed by the Interstate Commerce Commission; unless such rules and regulations otherwise require, any such cremation shall be by the Corporate Trustee. Registered Bonds without coupons cancelled pursuant to any provision of this Indenture shall be delivered from time to time to the Company.

SECTION 2. Any moneys received by any Paying Agent under any provision of this Indenture for the payment of the principal of, or the premium, if any, or interest on, the Bonds shall be held in trust for the holders of the Bonds and coupons for the payment of which such moneys were received until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the general funds of the Paying Agent, and the Paying Agent shall not be under any liability for interest on any such moneys, except such as it may agree with the Company to pay thereon.

Upon the request of the Company any moneys held by any Paying Agent or by the Corporate Trustee which shall have been deposited for the payment of the principal of, or the premium, if any, or interest on, any Bonds and which may remain unclaimed by the holders of Bonds or coupons respectively entitled thereto for six years after the date when such moneys were payable shall be repaid by the Paying Agent or the Corporate Trustee, as the case may be, to the Company and any liability of the Paying Agent or the Corporate Trustee with respect to such moneys shall cease upon such repayment and the holders of such Bonds and coupons shall thereafter be entitled to look only to the Company, as the holders of general claims, for the payment thereof, subject to the applicable statute of limitations, *provided, however*, that the Corporate Trustee, before being required to make any such repayment, may, at the expense of the Company, cause notice that such moneys have not been claimed and that after a date speci-

fied therein any unclaimed balance of such moneys then remaining will be repaid to the Company, to be published once each week for four successive weeks in one Qualified Newspaper in the Borough of Manhattan, City and State of New York and one Qualified Newspaper in the City of Baltimore, Maryland.

In no event shall the holders of such Bonds or coupons be entitled to interest upon moneys so deposited, whether remaining with the Paying Agent or the Corporate Trustee or so repaid to the Company.

SECTION 3. No director or officer of the Company shall incur any liability to any holder of any Bond or coupon in respect of any exercise, in good faith, of any discretion conferred on such officer, or on the Board of Directors, under any provision of this Indenture.

The Company will indemnify each officer and director against all costs, expenses and liabilities resulting from, or in connection with, any suit or other legal proceedings instituted against any such officer or director by any holder of any Bond or coupon, including, without limitation, the cost of any settlement of any claim made in any such suit or other proceedings which shall have been approved by the Board of Directors; *provided, however*, that the provisions of this paragraph shall not be applicable unless the Board of Directors, after such investigation as it may deem proper, shall determine that in its opinion the action complained of was taken in good faith and without intention to violate the provisions of this Indenture.

SECTION 4. Nothing in this Indenture expressed or implied is intended or shall be construed to give to any person, firm or corporation other than the parties hereto and the holders of the Bonds and coupons, any legal or equitable right, remedy or claim under or in respect of this

Indenture, or any covenant, condition or provision herein contained, all the covenants, conditions and provisions hereof being and intended to be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and coupons.

SECTION 5. Interest payable to the Trustees or to the Corporate Trustee under any provision of this Indenture shall be at the following rate or rates per annum; so long as there shall be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the current rediscount rate of such Federal Reserve Bank, plus  $1\frac{1}{2}\%$ ; *provided, however*, that such interest shall be not less than  $3\frac{1}{2}\%$  nor more than  $6\%$  per annum; if for any reason there shall cease to be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the rate of  $4\%$  per annum.

SECTION 6. Mercantile Trust Company of Baltimore and Nelson H. Stritehoff, parties of the second part hereto, hereby accept the trusts in this Indenture declared and provided and agree to perform the same upon the terms and conditions herein set forth.

IN WITNESS WHEREOF, SEABOARD AIR LINE RAILROAD COMPANY, the party of the first part, has caused this Indenture to be signed and acknowledged by its President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary; MERCANTILE TRUST COMPANY OF BALTIMORE, one of the parties of the second part, has caused this Indenture to be signed and acknowledged by a Vice-President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of an Assistant Secretary, and NELSON H. STRITEHOFF, one of the parties of the second part, has

hereto set his hand and seal, all as of the first day of  
January, 1946.

SEABOARD AIR LINE RAILROAD COMPANY,

by JOSEPH FRANCE

Vice-President.

[CORPORATE SEAL]

Attest:

TRISTAN ANTELL

Secretary.

Signed, sealed and acknowledged by  
Seaboard Air Line Railroad Com-  
pany in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

MERCANTILE TRUST COMPANY OF BALTIMORE

by A. F. DEMPSEY

Vice-President.

[CORPORATE SEAL]

Attest:

H. I. KEYSER II

Assistant Secretary.

NELSON H. STRITEHOFF

[L. S.]

Signed, sealed and acknowledged by  
Mercantile Trust Company of Bal-  
timore and Nelson H. Stritehoff  
in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Joseph France and Tristan Antell, each to me personally known and personally known to me to be respectively the Vice-President and the Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said Joseph France and Tristan Antell, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said Joseph France resides in the County of Baltimore, State of Maryland, and the said Tristan Antell resides in the County of Kings, State of New York; that the said Joseph France is Vice-President and the said Tristan Antell is Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said Joseph France and Tristan Antell, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said corporation is such corporate seal; that

it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacities as Vice-President and Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that Joseph France and Tristan Antell, whose names as Vice-President and Secretary of Seaboard Air Line Railroad Company, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County and State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY

Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947



STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Seaboard Air Line Railroad Company, party of the first part to the above and foregoing instrument, by Joseph France, its Vice-President, execute and deliver the foregoing instrument, and by Tristan Antell, its Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, A. F. Dempsey and H. I. Keyser, II, each to me personally known and personally known to me to be respectively a Vice-President and an Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said A. F. Dempsey and H. I. Keyser, II, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said A. F. Dempsey resides in the City of Baltimore, State of Maryland, and the said H. I. Keyser, II, resides in the County of Baltimore, State of Maryland; that the said A. F. Dempsey is Vice-President and the said H. I. Keyser, II, is Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said A. F. Dempsey and H. I. Keyser, II, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said cor-

poration is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacity as Vice-President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that A. F. Dempsey and H. I. Keyser, II, whose names as Vice-President and Assistant Secretary of Mercantile Trust Company of Baltimore, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County of New York, State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Mercantile Trust Company of Baltimore, as one of the parties of the second part to the above and foregoing instrument, by A. F. Dempsey its Vice-President, execute and deliver the foregoing instrument, and by H. I. Keyser, II, its Assistant Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My Commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

STATE OF NEW YORK, }  
 COUNTY OF NEW YORK, } ss.

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Nelson H. Stritehoff, one of the parties to the above and foregoing instrument, to me well known as the person described in and who executed the same, whose name as one of the parties is signed thereto, and being informed of the contents thereof, has acknowledged the same before me in my County aforesaid, has acknowledged the due execution of the same, that he did sign, seal and deliver the same of his own free will and accord, and has acknowledged to and before me that he executed the same for the uses and purposes therein named and expressed; and I further certify that Nelson H. Stritehoff, whose name is signed to the writing above bearing date on the 1st day of January, 1946, has acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the County of New York, in said State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY  
 Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
 Notary Public, New York County No. 343, Reg. 429-M-7,  
 Commission expires March 30, 1947

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw the within named Nelson H. Stritehoff, as one of the parties of the second part to the above and foregoing instrument sign, seal and, as his act and deed as such party, deliver the foregoing instrument and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

In the event that two or more such certificates shall be issued in respect of any Bond or Bonds, the certificate bearing the latest date shall be recognized and be deemed to supersede all certificates previously issued with respect to such Bond or Bonds. Neither the person named in any such certificate nor his proxy shall be entitled to vote at any such meeting if (1) another certificate bearing a later date issued in respect of the same Bond shall be produced, (2) the Bond specified in such certificate shall itself be produced at the meeting (or in case such Bond shall have been surrendered in exchange for another coupon Bond pursuant to this Indenture or any supplemental indenture, such other Bond shall be produced), or (3) the Bond specified in such certificate shall then be registered as to principal or shall have been exchanged for a registered Bond pursuant to this Indenture or any supplemental indenture or shall have been converted into stock of the Company.

Registered owners of fully registered Affected Bonds and coupon Affected Bonds registered as to principal may, by proxy duly executed in writing, appoint any person to represent them and vote for them at any such meeting or any adjournment thereof. Each such writing shall state the aggregate principal amount of Bonds regarding which the person authorized thereby is entitled to vote.

SECTION 4. To be entitled to vote at any such meeting a person shall be (a) a holder of a coupon Affected Bond transferable by delivery, (b) a registered owner of a coupon Affected Bond registered as to principal or of a fully registered Affected Bond, or a proxy for such registered owner, or (c) subject to clauses (1), (2) and (3) of Section 3 of this Article Sixteen, the person named in a certificate issued pursuant to said Section 3 or his proxy. The only persons who shall be entitled to be present or to speak at any such meeting shall be the persons entitled to vote thereat and the counsel of any such person and any

representatives of the Trustees and their counsel and any representatives of the Company and its counsel.

Bonds known by the Corporate Trustee to be owned or held by or for the account of the Company or any Affiliated Company, or any corporation or corporations or person owning, directly or indirectly, a majority of the voting stock of the Company, shall not be deemed to be outstanding for any purpose of this Article Sixteen, except that any Bond pledged by the Company, or by any Affiliated Company, or by any such corporation or person, as security for loans or other obligations, otherwise than to another Affiliated Company or to another such corporation or person, shall be deemed to be outstanding for all purposes of this Article Sixteen, if the pledgee is entitled pursuant to the terms of its pledge agreement and is free to exercise in its or his discretion the right to vote such Bonds, uncontrolled by the Company, by any Affiliated Company, or by any such corporation or person.

Bonds of Series A held by the Scrip Agent under the Scrip Agreement referred to in Section 3 of Article Four hereof shall not be deemed to be outstanding for any purpose of this Article Sixteen.

SECTION 5. The representation of a majority in aggregate principal amount of the Affected Bonds, by the persons holding such Bonds or by proxy, shall be necessary to constitute a quorum at any such meeting, but less than a quorum may adjourn the meeting from time to time and from place to place and the meeting may be held as adjourned without further notice, whether such adjournment shall have been had by a quorum or by less than a quorum. The Corporate Trustee shall by instrument in writing appoint a temporary chairman of the meeting, and the meeting shall be organized by the election of a permanent chairman and a secretary. At any meeting the votes of the holders of the Affected Bonds on any election, motion, resolution, or other action shall be counted on the



basis of the principal amount of the Affected Bonds which such holders are respectively entitled to vote.

SECTION 6. At any such meeting at which there shall be a quorum the holders of the Affected Bonds shall have the power by resolution adopted as hereinafter provided:

(a) to authorize the Trustees to join with the Company in making any amendment or repeal of or addition to any provision of this Indenture or any supplement hereto, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds, of all or any series, and appurtenant coupons, under this Indenture or any supplement hereto, *provided, however*, that no modification or repeal of or addition to the provisions of this Indenture or any indenture supplemental hereto shall be effective until approved by resolution of the Board of Directors;

(b) to sanction any compromise of the rights of the holders of the Affected Bonds against the Company or against its property whether such rights shall arise under the provisions of this Indenture or otherwise;

(c) at the request, or with the consent, of the Company to postpone the time of payment of any instalments of interest on any Bonds until any specified fixed or determinable date or until the happening of any specified contingency, but not later, in any case, than January 1, 1996; *provided, however*, that the number of semi-annual interest instalments, the time of payment of which may be so postponed (including any instalments theretofore postponed and not theretofore paid), may not exceed ten such semi-annual instalments;

(d) to require the Trustees on having entered into or taken possession of the trust estate, or any part

any and all acts and to make and execute any and all transfers, requests and requisitions or other instruments which may be necessary or proper to carry out the provisions of this Indenture.

Notwithstanding any other provision hereof, (1) the Company shall not be entitled to receive, and the Corporate Trustee shall not pay over to the Company, (i) the principal of any pledged bond or (ii) any interest on any pledged bond which shall have been paid out of the proceeds of any sale, condemnation or expropriation of any property covered by a mortgage or lien securing such bond or (iii) any dividend on any pledged stock which shall have been paid out of the proceeds of a sale, condemnation, or expropriation of the property of the corporation which issued said stock or as a result of the dissolution, liquidation, in whole or in part, or winding up of such corporation or as a stock dividend or as a dividend which in any way shall be chargeable to or be payable out of capital or capital surplus or upon the reduction of the capital stock of any such corporation or anything paid in retirement or redemption of any pledged stock, it being the intention that the Company shall be entitled to receive dividend payments only when made out of the earned surplus of any such corporation; (2) the Company shall not sell, assign or transfer any such coupon or right to interest or dividends delivered or assigned to it, or collect any such coupon or interest by legal proceedings or by enforcement in any manner which shall be prejudicial to the trusts hereunder; and (3) until actually paid or discharged, every such coupon or right to interest or dividends and any such claim and indebtedness shall in all respects remain subject to the lien of this Indenture.

The Corporate Trustee shall be entitled to assume that any interest received by it on any pledged bond is not paid out of the proceeds of any sale, condemnation or expropriation of property, and that any dividend received in money on any pledged stocks is paid out of earned sur-

plus, until it is notified in writing to the contrary by a holder of one or more Bonds.

If any such coupon or any such order for the payment of interest or dividends delivered to the Company shall not forthwith be paid or cancelled, the Company shall return the same to the Corporate Trustee, and in case of the payment of any such coupon or interest, the Company shall, upon demand of the Corporate Trustee, furnish satisfactory evidence of the cancellation and extinguishment thereof.

SECTION 4. In case any sum shall be paid on account of the principal of any pledged bond, or in retirement or redemption of any pledged stock, or shall be paid as interest or dividends which under the provisions of Section 3 of this Article Eight the Company is not entitled to receive, then, in any such case, any such sum shall be received by the Corporate Trustee and shall be held and applied as provided in Section 9 of Article Twelve hereof.

SECTION 5. If the rights of the holders of the Bonds will not be prejudiced or impaired thereby, the Corporate Trustee at any time, upon receipt of a Request so to do, shall (a) cancel, or consent to the cancellation of, any of the pledged securities which, owing to foreclosure, reorganization, recapitalization, consolidation or sale of the property of the corporation which issued such securities, or due to the fact that the property of such corporation has become subject to the lien of this Indenture, or for any reason, shall have become no longer of any value as security for the Bonds, or (b) consent to a reduction, increase or other change in the capitalization of any corporation whose stock is pledged hereunder, provided that the proportionate interest of the Company in such corporation evidenced by such stock so pledged is not thereby reduced. The Corporate Trustee may accept an Opinion of Counsel that the conditions specified in this Section 5 have been complied with as conclusive evidence to that effect.

SECTION 6. In case default shall be made in the payment of the principal of or interest on any of the pledged bonds or any bonds secured by a mortgage, deed of trust, or other instrument which secures or purports to secure any of the pledged bonds, or in the due observance or performance of any covenant contained in any of such bonds or any such mortgage or deed of trust or other instrument, then, and in any such case, the Corporate Trustee shall, upon receipt of a Request so to do, and upon being indemnified to its satisfaction against any expenses to be incurred in connection therewith, bring an appropriate action to recover such principal and interest or to compel the observance or performance of such covenant, and if it holds an amount of such bonds in default sufficient under such mortgage, deed of trust or instrument to take such action, cause proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to foreclose the mortgage, deed of trust or other instrument by which such bonds are secured, or otherwise enforce such rights, *provided, however*, that if (1) the Trustees, acting under the powers granted in this Indenture, or a Receiver shall be in possession of the trust estate or a part thereof or (2) one or more of the Events of Default shall have happened and be continuing, then the Corporate Trustee in its discretion may institute such proceedings without such Request.

If at any time any Subsidiary shall be dissolved or liquidated, or if all or any of the property of any Subsidiary shall be sold at any judicial or any other sale, or if any property covered by a mortgage securing any pledged bonds shall be sold upon foreclosure of such mortgage, then, and in every such case, if the property of such Subsidiary, or the property sold, can be acquired by crediting on the securities pledged hereunder any sum accruing or to be received thereon out of the proceeds of such property and if such property can be acquired by paying not more than 10% of the price of any such property in cash, the Corporate Trustee may in its discretion, and, if it is

provided with the amount of cash necessary therefor and indemnified to its satisfaction on account of its expenses in connection therewith, shall (if no Event of Default shall have happened and be continuing), upon receipt of a Request so to do, purchase or cause to be purchased such property either in the name of the Company or in its own name or in the name of purchasing trustees, and shall use such pledged securities in making payment for said property. If the Corporate Trustee is requested in writing by the Company or by the holders of a majority in principal amount of the Bonds at the time outstanding hereunder so to purchase or cause to be purchased such property and if it is provided with the cash necessary therefor and indemnified to its satisfaction on account of its expenses in connection therewith, the Corporate Trustee shall so purchase or cause to be purchased such property, regardless of the amount of the cash payment required, and shall use such pledged securities in paying for said property. In case of any such purchase the Corporate Trustee shall take such steps as it may deem best to cause such property to be vested either in the Company, subject to the lien of this Indenture, or in some corporation organized or to be organized for that purpose, all of whose funded debt (except such, if any, as shall represent a lien existing upon the property at the time it was acquired) and all of whose capital stock (except the number of shares required to qualify directors) shall be received and held by the Corporate Trustee and shall be vested in the Company subject to the lien of this Indenture.

The Corporate Trustee may take such other action from time to time as the Corporate Trustee in its discretion shall deem best calculated to protect the interests of the holders of the Bonds in respect of any pledged securities; and for that purpose, with the consent of the Company, the Corporate Trustee may join in or consent to any plan of readjustment, recapitalization or reorganization in respect of any such pledged securities and may accept

any cash, securities or other property delivered in payment or exchange therefor under such plan, *provided, however*, that if (1) the Trustees, acting under the powers granted in this Indenture, or a Receiver shall be in possession of the trust estate or a part thereof or (2) one or more of the Events of Default shall have happened and be continuing, the Corporate Trustee shall be entitled to take the steps authorized in this paragraph without the consent of the Company.

The Company covenants that on demand of the Corporate Trustee it forthwith will pay or provide for the payment of all expenditures (except expenditures for which cash shall theretofore have been deposited by the Company with the Corporate Trustee under the provisions of this Section 6) incurred by the Corporate Trustee under any of the provisions of this Section 6, including all sums required to obtain and perfect the ownership of and title to any property which the Corporate Trustee shall purchase or cause to be purchased pursuant to this Section 6, and in case the Company shall fail so to do, then, without impairment of or prejudice to any of its rights hereunder by reason of such default of the Company, the Corporate Trustee, in its discretion, without notice to the holders of the Bonds, may advance all such expenses and other moneys required, or may procure such advances to be made by others, and for such advances made by the Corporate Trustee or by others at its request, with interest thereon, the Corporate Trustee shall have a lien on the trust estate prior to the lien of the Bonds; but in no case shall the Corporate Trustee make or procure an advance which would be so secured if as a result the principal sum secured by such lien would exceed in the aggregate a sum equal to five per cent. (5%) of the total principal amount of Bonds then outstanding. The Corporate Trustee shall be under no obligation to make any such advance unless prior to the making of such advance it shall be furnished with the necessary funds.

In case the Corporate Trustee shall not purchase or cause to be purchased the property sold at any such sale, and shall not join in or consent to a plan of readjustment, recapitalization or reorganization in respect of such pledged securities, then the Corporate Trustee shall receive any portion of the proceeds of such sale or any moneys or securities distributable under any such plan applicable to the pledged securities.

SECTION 7. The Corporate Trustee at any time in its discretion, whether or not one or more of the Events of Default shall have happened and be continuing, may consent to the renewal or extension of any of the pledged bonds and of the mortgages, if any, securing the same, at the same or at a higher or a lower rate of interest, and shall so consent, upon receipt of a Request so to do, if no Event of Default shall have happened and be continuing; and in case of the renewal of any of such bonds the Corporate Trustee may surrender such bonds to the corporation which issued them or its successor and in lieu thereof may receive renewal bonds bearing such interest and maturing at such time as the Corporate Trustee may deem reasonable, *provided, however*, that if such bonds were secured by a lien, such extended or renewal bonds shall be secured by a lien upon the same property, or upon the same property and additional property, equal or superior to that securing the bonds extended or renewed. The Corporate Trustee may accept an Opinion of Counsel as conclusive evidence that such extended or renewal bonds are so secured. All bonds received in exchange for or in renewal of any pledged bonds shall be held subject to the lien and to all the terms and provisions of this Indenture in the same manner and to the same extent as the bonds in exchange for which or in renewal of which they shall have been received.

SECTION 8. The pledge hereunder at any time of any shares of stock of any corporation shall not prevent the

consolidation or merger of such corporation with, or the sale, conveyance, transfer or lease of all or any part of the property of such corporation to, the Company; *provided, however,* that such consolidation, merger, sale, conveyance, transfer or lease shall be made only upon such terms as shall not in any manner impair or prejudice the value of the security hereof and shall be subject to the provisions of Article Fifteen hereof to the extent that such provisions shall be applicable. In the event of the consolidation or merger of any such corporation with, or the sale, conveyance, transfer or lease of its property to, the Company, this Indenture *ipso facto* shall become and be a lien upon all the estate, right, title and interest of the Company in any property or leasehold so acquired by the Company with the same force and effect as if the same had been directly owned by the Company at the date of this Indenture and conveyed to the Trustees hereunder; and the Company shall execute and deliver to the Trustees all such instruments as may be required of it by the Trustees further to establish and perfect such lien.

Any corporation, shares of whose capital stock are pledged hereunder, may consolidate with, merge into, or sell, convey, transfer or lease all or any part of its property to, any other person or corporation, *provided, however,* (1) that the value of the security under this Indenture shall not be in any way impaired or prejudiced thereby, (2) that the whole consideration payable, distributable or deliverable on account of the shares of capital stock pledged hereunder in the event of any such consolidation, merger, sale, conveyance or transfer (whether such consideration be in cash or otherwise) shall be pledged with and delivered to the Corporate Trustee and shall be and become subject to the lien of this Indenture and (3) that, if such corporation be a Subsidiary, either (a) its status will not be affected by the transaction or (b) the consolidated corporation, or the corporation into which such Subsidiary is merged, or to which its property is sold, con-



veyed, transferred or leased, is, or thereafter will be, a Subsidiary of the same class or (c) in the judgment of the Board of Directors evidenced by a Certified Resolution delivered to the Corporate Trustee, the transaction is desirable in connection with arrangements for control of the property of such Subsidiary by the Company and other corporations, and will be beneficial to the trust estate.

The capital stock of any corporation, any of whose stock is pledged hereunder, may for the purpose of carrying out any transaction permitted by the foregoing provisions of this Section 8, and as a part of or in contemplation of such transaction, be increased or reduced to the extent necessary therefor, *provided, however*, that the percentage of the capital stock of such corporation of each class pledged hereunder shall not be decreased by such increase or reduction of capital stock.

The Corporate Trustee may accept an Officers' Certificate as conclusive evidence that the value of the security hereof will not be impaired or prejudiced by any consolidation, merger, sale, conveyance, transfer or lease proposed to be made under the provisions of this Section 8.

The Corporate Trustee shall do any and all things proper to carry into effect the purposes of this Section 8, and in order to facilitate any consolidation, merger, sale, conveyance, transfer or lease contemplated by this Section 8, the Corporate Trustee, if necessary, shall either vote or transfer into the name of the Company, under such restrictions as it may deem sufficient for the protection of the holders of the Bonds hereby secured, the stock of any corporation about to be so merged or consolidated; but the certificates for any shares so transferred into the name of the Company shall forthwith be delivered to and held by the Corporate Trustee hereunder and the Company shall execute and deliver to the Corporate Trustee such instruments as the Corporate Trustee shall deem necessary in order to enable it to transfer such shares back into its own name.

SECTION 9. All moneys received by the Corporate Trustee under any of the provisions of this Article Eight shall be held and disposed of by it as provided in Section 9 of Article Twelve hereof, unless specific provision for the disposition thereof is made in this Article Eight, and any securities so received shall become subject to the lien and to all the terms and provisions of this Indenture.

## ARTICLE NINE.

### REMEDIES OF TRUSTEES AND BONDHOLDERS.

SECTION 1. The Company will not, directly or indirectly, extend or assent to the extension of the time of payment of any coupon or claim for interest which may be payable on any of the Bonds and it will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or refunding said coupons or claims for interest or in any other manner. If the time of payment of any such coupon or claim for interest shall be so extended, whether or not by or with the consent of the Company, such coupon or claim for interest shall not be entitled, in case of default hereunder, to the benefit of the security of this Indenture, except subject to the prior payment in full of the principal of all Bonds then outstanding or pledged and all coupons and claims for interest payable thereon, the payment of which shall not have been so extended; *provided, however*, that the foregoing provisions of this Section 1 shall not be applicable to any coupon or claim for interest the time of payment of which shall have been extended, if such extension was made pursuant to the provisions of Article Sixteen hereof or to a plan proposed by the Company to all holders of any one or more series of Bonds. If any coupons on which interest shall be payable or claims for such interest shall be owned by the Company, or shall be purchased by or on its behalf, then such coupons or claims for interest shall not be en-

payable, in equal aggregate principal amounts. The Company or the Corporate Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

Indentures supplemental to this Indenture, embodying any modification or repeal of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds and appurtenant coupons, made as provided in this Article Sixteen, may be executed by the Trustees and the Company, and, upon demand of the Corporate Trustee, or if so specified in any resolution adopted at any meeting provided for in this Article Sixteen, shall be executed by the Company and the Trustees.

SECTION 10. Any power exercisable at any meeting convened pursuant to this Article Sixteen may also be exercised by an instrument or instruments signed by the holders of the same percentage of Affected Bonds as would be required for the adoption of a resolution pursuant to Section 6 of this Article Sixteen and delivered to the Corporate Trustee together with such proof of the fact and date of the execution thereof, and the fact and date of the holding of Bonds by the signers thereof, as may be required by the Trustees under the provisions of Article Eleven hereof.

## ARTICLE SEVENTEEN.

### MISCELLANEOUS PROVISIONS.

SECTION 1. Except as otherwise expressly provided in this Indenture, all coupon Bonds and appurtenant coupons cancelled pursuant to any provisions of this Indenture shall be cremated, subject to such rules and regula-

tions, if any, as may be prescribed by the Interstate Commerce Commission; unless such rules and regulations otherwise require, any such cremation shall be by the Corporate Trustee. Registered Bonds without coupons cancelled pursuant to any provision of this Indenture shall be delivered from time to time to the Company.

SECTION 2. Any moneys received by any Paying Agent under any provision of this Indenture for the payment of the principal of, or the premium, if any, or interest on, the Bonds shall be held in trust for the holders of the Bonds and coupons for the payment of which such moneys were received until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the general funds of the Paying Agent, and the Paying Agent shall not be under any liability for interest on any such moneys, except such as it may agree with the Company to pay thereon.

Upon the request of the Company any moneys held by any Paying Agent or by the Corporate Trustee which shall have been deposited for the payment of the principal of, or the premium, if any, or interest on, any Bonds and which may remain unclaimed by the holders of Bonds or coupons respectively entitled thereto for six years after the date when such moneys were payable shall be repaid by the Paying Agent or the Corporate Trustee, as the case may be, to the Company and any liability of the Paying Agent or the Corporate Trustee with respect to such moneys shall cease upon such repayment and the holders of such Bonds and coupons shall thereafter be entitled to look only to the Company, as the holders of general claims, for the payment thereof, subject to the applicable statute of limitations, *provided, however*, that the Corporate Trustee, before being required to make any such repayment, may, at the expense of the Company, cause notice that such moneys have not been claimed and that after a date speci-

fied therein any unclaimed balance of such moneys then remaining will be repaid to the Company, to be published once each week for four successive weeks in one Qualified Newspaper in the Borough of Manhattan, City and State of New York and one Qualified Newspaper in the City of Baltimore, Maryland.

In no event shall the holders of such Bonds or coupons be entitled to interest upon moneys so deposited, whether remaining with the Paying Agent or the Corporate Trustee or so repaid to the Company.

SECTION 3. No director or officer of the Company shall incur any liability to any holder of any Bond or coupon in respect of any exercise, in good faith, of any discretion conferred on such officer, or on the Board of Directors, under any provision of this Indenture.

The Company will indemnify each officer and director against all costs, expenses and liabilities resulting from, or in connection with, any suit or other legal proceedings instituted against any such officer or director by any holder of any Bond or coupon, including, without limitation, the cost of any settlement of any claim made in any such suit or other proceedings which shall have been approved by the Board of Directors; *provided, however*, that the provisions of this paragraph shall not be applicable unless the Board of Directors, after such investigation as it may deem proper, shall determine that in its opinion the action complained of was taken in good faith and without intention to violate the provisions of this Indenture.

SECTION 4. Nothing in this Indenture expressed or implied is intended or shall be construed to give to any person, firm or corporation other than the parties hereto and the holders of the Bonds and coupons, any legal or equitable right, remedy or claim under or in respect of this

Indenture, or any covenant, condition or provision herein contained, all the covenants, conditions and provisions hereof being and intended to be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and coupons.

SECTION 5. Interest payable to the Trustees or to the Corporate Trustee under any provision of this Indenture shall be at the following rate or rates per annum; so long as there shall be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the current rediscount rate of such Federal Reserve Bank, plus  $1\frac{1}{2}\%$ ; *provided, however*, that such interest shall be not less than  $3\frac{1}{2}\%$  nor more than  $6\%$  per annum; if for any reason there shall cease to be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the rate of  $4\%$  per annum.

SECTION 6. Mercantile Trust Company of Baltimore and Nelson H. Stritehoff, parties of the second part hereto, hereby accept the trusts in this Indenture declared and provided and agree to perform the same upon the terms and conditions herein set forth.

IN WITNESS WHEREOF, SEABOARD AIR LINE RAILROAD COMPANY, the party of the first part, has caused this Indenture to be signed and acknowledged by its President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary; MERCANTILE TRUST COMPANY OF BALTIMORE, one of the parties of the second part, has caused this Indenture to be signed and acknowledged by a Vice-President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of an Assistant Secretary, and NELSON H. STRITEHOFF, one of the parties of the second part, has

hereto set his hand and seal, all as of the first day of  
January, 1946.

SEABOARD AIR LINE RAILROAD COMPANY,

by JOSEPH FRANCE

Vice-President.

[CORPORATE SEAL]

Attest:

TRISTAN ANTELL

Secretary.

Signed, sealed and acknowledged by  
Seaboard Air Line Railroad Com-  
pany in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

MERCANTILE TRUST COMPANY OF BALTIMORE

by A. F. DEMPSEY

Vice-President.

[CORPORATE SEAL]

Attest:

H. I. KEYSER II

Assistant Secretary.

NELSON H. STRITEHOFF

[L. S.]

Signed, sealed and acknowledged by  
Mercantile Trust Company of Bal-  
timore and Nelson H. Stritehoff  
in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Joseph France and Tristan Antell, each to me personally known and personally known to me to be respectively the Vice-President and the Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said Joseph France and Tristan Antell, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said Joseph France resides in the County of Baltimore, State of Maryland, and the said Tristan Antell resides in the County of Kings, State of New York; that the said Joseph France is Vice-President and the said Tristan Antell is Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said Joseph France and Tristan Antell, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said corporation is such corporate seal; that



it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacities as Vice-President and Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that Joseph France and Tristan Antell, whose names as Vice-President and Secretary of Seaboard Air Line Railroad Company, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County and State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY

Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Seaboard Air Line Railroad Company, party of the first part to the above and foregoing instrument, by Joseph France, its Vice-President, execute and deliver the foregoing instrument, and by Tristan Antell, its Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, A. F. Dempsey and H. I. Keyser, II, each to me personally known and personally known to me to be respectively a Vice-President and an Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said A. F. Dempsey and H. I. Keyser, II, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said A. F. Dempsey resides in the City of Baltimore, State of Maryland, and the said H. I. Keyser, II, resides in the County of Baltimore, State of Maryland; that the said A. F. Dempsey is Vice-President and the said H. I. Keyser, II, is Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said A. F. Dempsey and H. I. Keyser, II, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said cor-

poration is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacity as Vice-President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that A. F. Dempsey and H. I. Keyser, II, whose names as Vice-President and Assistant Secretary of Mercantile Trust Company of Baltimore, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County of New York, State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Mercantile Trust Company of Baltimore, as one of the parties of the second part to the above and foregoing instrument, by A. F. Dempsey its Vice-President, execute and deliver the foregoing instrument, and by H. I. Keyser, II, its Assistant Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My Commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

STATE OF NEW YORK, }  
 COUNTY OF NEW YORK, } ss.

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Nelson H. Stritehoff, one of the parties to the above and foregoing instrument, to me well known as the person described in and who executed the same, whose name as one of the parties is signed thereto, and being informed of the contents thereof, has acknowledged the same before me in my County aforesaid, has acknowledged the due execution of the same, that he did sign, seal and deliver the same of his own free will and accord, and has acknowledged to and before me that he executed the same for the uses and purposes therein named and expressed; and I further certify that Nelson H. Stritehoff, whose name is signed to the writing above bearing date on the 1st day of January, 1946, has acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the County of New York, in said State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY  
 Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
 Notary Public, New York County No. 343, Reg. 429-M-7,  
 Commission expires March 30, 1947

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw the within named Nelson H. Stritehoff, as one of the parties of the second part to the above and foregoing instrument sign, seal and, as his act and deed as such party, deliver the foregoing instrument and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

In the event that two or more such certificates shall be issued in respect of any Bond or Bonds, the certificate bearing the latest date shall be recognized and be deemed to supersede all certificates previously issued with respect to such Bond or Bonds. Neither the person named in any such certificate nor his proxy shall be entitled to vote at any such meeting if (1) another certificate bearing a later date issued in respect of the same Bond shall be produced, (2) the Bond specified in such certificate shall itself be produced at the meeting (or in case such Bond shall have been surrendered in exchange for another coupon Bond pursuant to this Indenture or any supplemental indenture, such other Bond shall be produced), or (3) the Bond specified in such certificate shall then be registered as to principal or shall have been exchanged for a registered Bond pursuant to this Indenture or any supplemental indenture or shall have been converted into stock of the Company.

Registered owners of fully registered Affected Bonds and coupon Affected Bonds registered as to principal may, by proxy duly executed in writing, appoint any person to represent them and vote for them at any such meeting or any adjournment thereof. Each such writing shall state the aggregate principal amount of Bonds regarding which the person authorized thereby is entitled to vote.

SECTION 4. To be entitled to vote at any such meeting a person shall be (a) a holder of a coupon Affected Bond transferable by delivery, (b) a registered owner of a coupon Affected Bond registered as to principal or of a fully registered Affected Bond, or a proxy for such registered owner, or (c) subject to clauses (1), (2) and (3) of Section 3 of this Article Sixteen, the person named in a certificate issued pursuant to said Section 3 or his proxy. The only persons who shall be entitled to be present or to speak at any such meeting shall be the persons entitled to vote thereat and the counsel of any such person and any



representatives of the Trustees and their counsel and any representatives of the Company and its counsel.

Bonds known by the Corporate Trustee to be owned or held by or for the account of the Company or any Affiliated Company, or any corporation or corporations or person owning, directly or indirectly, a majority of the voting stock of the Company, shall not be deemed to be outstanding for any purpose of this Article Sixteen, except that any Bond pledged by the Company, or by any Affiliated Company, or by any such corporation or person, as security for loans or other obligations, otherwise than to another Affiliated Company or to another such corporation or person, shall be deemed to be outstanding for all purposes of this Article Sixteen, if the pledgee is entitled pursuant to the terms of its pledge agreement and is free to exercise in its or his discretion the right to vote such Bonds, uncontrolled by the Company, by any Affiliated Company, or by any such corporation or person.

Bonds of Series A held by the Scrip Agent under the Scrip Agreement referred to in Section 3 of Article Four hereof shall not be deemed to be outstanding for any purpose of this Article Sixteen.

SECTION 5. The representation of a majority in aggregate principal amount of the Affected Bonds, by the persons holding such Bonds or by proxy, shall be necessary to constitute a quorum at any such meeting, but less than a quorum may adjourn the meeting from time to time and from place to place and the meeting may be held as adjourned without further notice, whether such adjournment shall have been had by a quorum or by less than a quorum. The Corporate Trustee shall by instrument in writing appoint a temporary chairman of the meeting, and the meeting shall be organized by the election of a permanent chairman and a secretary. At any meeting the votes of the holders of the Affected Bonds on any election, motion, resolution, or other action shall be counted on the

basis of the principal amount of the Affected Bonds which such holders are respectively entitled to vote.

SECTION 6. At any such meeting at which there shall be a quorum the holders of the Affected Bonds shall have the power by resolution adopted as hereinafter provided:

(a) to authorize the Trustees to join with the Company in making any amendment or repeal of or addition to any provision of this Indenture or any supplement hereto, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds, of all or any series, and appurtenant coupons, under this Indenture or any supplement hereto, *provided, however*, that no modification or repeal of or addition to the provisions of this Indenture or any indenture supplemental hereto shall be effective until approved by resolution of the Board of Directors;

(b) to sanction any compromise of the rights of the holders of the Affected Bonds against the Company or against its property whether such rights shall arise under the provisions of this Indenture or otherwise;

(c) at the request, or with the consent, of the Company to postpone the time of payment of any instalments of interest on any Bonds until any specified fixed or determinable date or until the happening of any specified contingency, but not later, in any case, than January 1, 1996; *provided, however*, that the number of semi-annual interest instalments, the time of payment of which may be so postponed (including any instalments theretofore postponed and not theretofore paid), may not exceed ten such semi-annual instalments;

(d) to require the Trustees on having entered into or taken possession of the trust estate, or any part

any and all acts and to make and execute any and all transfers, requests and requisitions or other instruments which may be necessary or proper to carry out the provisions of this Indenture.

Notwithstanding any other provision hereof, (1) the Company shall not be entitled to receive, and the Corporate Trustee shall not pay over to the Company, (i) the principal of any pledged bond or (ii) any interest on any pledged bond which shall have been paid out of the proceeds of any sale, condemnation or expropriation of any property covered by a mortgage or lien securing such bond or (iii) any dividend on any pledged stock which shall have been paid out of the proceeds of a sale, condemnation, or expropriation of the property of the corporation which issued said stock or as a result of the dissolution, liquidation, in whole or in part, or winding up of such corporation or as a stock dividend or as a dividend which in any way shall be chargeable to or be payable out of capital or capital surplus or upon the reduction of the capital stock of any such corporation or anything paid in retirement or redemption of any pledged stock, it being the intention that the Company shall be entitled to receive dividend payments only when made out of the earned surplus of any such corporation; (2) the Company shall not sell, assign or transfer any such coupon or right to interest or dividends delivered or assigned to it, or collect any such coupon or interest by legal proceedings or by enforcement in any manner which shall be prejudicial to the trusts hereunder; and (3) until actually paid or discharged, every such coupon or right to interest or dividends and any such claim and indebtedness shall in all respects remain subject to the lien of this Indenture.

The Corporate Trustee shall be entitled to assume that any interest received by it on any pledged bond is not paid out of the proceeds of any sale, condemnation or expropriation of property, and that any dividend received in money on any pledged stocks is paid out of earned sur-

plus, until it is notified in writing to the contrary by a holder of one or more Bonds.

If any such coupon or any such order for the payment of interest or dividends delivered to the Company shall not forthwith be paid or cancelled, the Company shall return the same to the Corporate Trustee, and in case of the payment of any such coupon or interest, the Company shall, upon demand of the Corporate Trustee, furnish satisfactory evidence of the cancellation and extinguishment thereof.

SECTION 4. In case any sum shall be paid on account of the principal of any pledged bond, or in retirement or redemption of any pledged stock, or shall be paid as interest or dividends which under the provisions of Section 3 of this Article Eight the Company is not entitled to receive, then, in any such case, any such sum shall be received by the Corporate Trustee and shall be held and applied as provided in Section 9 of Article Twelve hereof.

SECTION 5. If the rights of the holders of the Bonds will not be prejudiced or impaired thereby, the Corporate Trustee at any time, upon receipt of a Request so to do, shall (a) cancel, or consent to the cancellation of, any of the pledged securities which, owing to foreclosure, reorganization, recapitalization, consolidation or sale of the property of the corporation which issued such securities, or due to the fact that the property of such corporation has become subject to the lien of this Indenture, or for any reason, shall have become no longer of any value as security for the Bonds, or (b) consent to a reduction, increase or other change in the capitalization of any corporation whose stock is pledged hereunder, provided that the proportionate interest of the Company in such corporation evidenced by such stock so pledged is not thereby reduced. The Corporate Trustee may accept an Opinion of Counsel that the conditions specified in this Section 5 have been complied with as conclusive evidence to that effect.

SECTION 6. In case default shall be made in the payment of the principal of or interest on any of the pledged bonds or any bonds secured by a mortgage, deed of trust, or other instrument which secures or purports to secure any of the pledged bonds, or in the due observance or performance of any covenant contained in any of such bonds or any such mortgage or deed of trust or other instrument, then, and in any such case, the Corporate Trustee shall, upon receipt of a Request so to do, and upon being indemnified to its satisfaction against any expenses to be incurred in connection therewith, bring an appropriate action to recover such principal and interest or to compel the observance or performance of such covenant, and if it holds an amount of such bonds in default sufficient under such mortgage, deed of trust or instrument to take such action, cause proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to foreclose the mortgage, deed of trust or other instrument by which such bonds are secured, or otherwise enforce such rights, *provided, however*, that if (1) the Trustees, acting under the powers granted in this Indenture, or a Receiver shall be in possession of the trust estate or a part thereof or (2) one or more of the Events of Default shall have happened and be continuing, then the Corporate Trustee in its discretion may institute such proceedings without such Request.

If at any time any Subsidiary shall be dissolved or liquidated, or if all or any of the property of any Subsidiary shall be sold at any judicial or any other sale, or if any property covered by a mortgage securing any pledged bonds shall be sold upon foreclosure of such mortgage, then, and in every such case, if the property of such Subsidiary, or the property sold, can be acquired by crediting on the securities pledged hereunder any sum accruing or to be received thereon out of the proceeds of such property and if such property can be acquired by paying not more than 10% of the price of any such property in cash, the Corporate Trustee may in its discretion, and, if it is

provided with the amount of cash necessary therefor and indemnified to its satisfaction on account of its expenses in connection therewith, shall (if no Event of Default shall have happened and be continuing), upon receipt of a Request so to do, purchase or cause to be purchased such property either in the name of the Company or in its own name or in the name of purchasing trustees, and shall use such pledged securities in making payment for said property. If the Corporate Trustee is requested in writing by the Company or by the holders of a majority in principal amount of the Bonds at the time outstanding hereunder so to purchase or cause to be purchased such property and if it is provided with the cash necessary therefor and indemnified to its satisfaction on account of its expenses in connection therewith, the Corporate Trustee shall so purchase or cause to be purchased such property, regardless of the amount of the cash payment required, and shall use such pledged securities in paying for said property. In case of any such purchase the Corporate Trustee shall take such steps as it may deem best to cause such property to be vested either in the Company, subject to the lien of this Indenture, or in some corporation organized or to be organized for that purpose, all of whose funded debt (except such, if any, as shall represent a lien existing upon the property at the time it was acquired) and all of whose capital stock (except the number of shares required to qualify directors) shall be received and held by the Corporate Trustee and shall be vested in the Company subject to the lien of this Indenture.

The Corporate Trustee may take such other action from time to time as the Corporate Trustee in its discretion shall deem best calculated to protect the interests of the holders of the Bonds in respect of any pledged securities; and for that purpose, with the consent of the Company, the Corporate Trustee may join in or consent to any plan of readjustment, recapitalization or reorganization in respect of any such pledged securities and may accept

any cash, securities or other property delivered in payment or exchange therefor under such plan, *provided, however*, that if (1) the Trustees, acting under the powers granted in this Indenture, or a Receiver shall be in possession of the trust estate or a part thereof or (2) one or more of the Events of Default shall have happened and be continuing, the Corporate Trustee shall be entitled to take the steps authorized in this paragraph without the consent of the Company.

The Company covenants that on demand of the Corporate Trustee it forthwith will pay or provide for the payment of all expenditures (except expenditures for which cash shall theretofore have been deposited by the Company with the Corporate Trustee under the provisions of this Section 6) incurred by the Corporate Trustee under any of the provisions of this Section 6, including all sums required to obtain and perfect the ownership of and title to any property which the Corporate Trustee shall purchase or cause to be purchased pursuant to this Section 6, and in case the Company shall fail so to do, then, without impairment of or prejudice to any of its rights hereunder by reason of such default of the Company, the Corporate Trustee, in its discretion, without notice to the holders of the Bonds, may advance all such expenses and other moneys required, or may procure such advances to be made by others, and for such advances made by the Corporate Trustee or by others at its request, with interest thereon, the Corporate Trustee shall have a lien on the trust estate prior to the lien of the Bonds; but in no case shall the Corporate Trustee make or procure an advance which would be so secured if as a result the principal sum secured by such lien would exceed in the aggregate a sum equal to five per cent. (5%) of the total principal amount of Bonds then outstanding. The Corporate Trustee shall be under no obligation to make any such advance unless prior to the making of such advance it shall be furnished with the necessary funds.

In case the Corporate Trustee shall not purchase or cause to be purchased the property sold at any such sale, and shall not join in or consent to a plan of readjustment, recapitalization or reorganization in respect of such pledged securities, then the Corporate Trustee shall receive any portion of the proceeds of such sale or any moneys or securities distributable under any such plan applicable to the pledged securities.

SECTION 7. The Corporate Trustee at any time in its discretion, whether or not one or more of the Events of Default shall have happened and be continuing, may consent to the renewal or extension of any of the pledged bonds and of the mortgages, if any, securing the same, at the same or at a higher or a lower rate of interest, and shall so consent, upon receipt of a Request so to do, if no Event of Default shall have happened and be continuing; and in case of the renewal of any of such bonds the Corporate Trustee may surrender such bonds to the corporation which issued them or its successor and in lieu thereof may receive renewal bonds bearing such interest and maturing at such time as the Corporate Trustee may deem reasonable, *provided, however,* that if such bonds were secured by a lien, such extended or renewal bonds shall be secured by a lien upon the same property, or upon the same property and additional property, equal or superior to that securing the bonds extended or renewed. The Corporate Trustee may accept an Opinion of Counsel as conclusive evidence that such extended or renewal bonds are so secured. All bonds received in exchange for or in renewal of any pledged bonds shall be held subject to the lien and to all the terms and provisions of this Indenture in the same manner and to the same extent as the bonds in exchange for which or in renewal of which they shall have been received.

SECTION 8. The pledge hereunder at any time of any shares of stock of any corporation shall not prevent the



consolidation or merger of such corporation with, or the sale, conveyance, transfer or lease of all or any part of the property of such corporation to, the Company; *provided, however,* that such consolidation, merger, sale, conveyance, transfer or lease shall be made only upon such terms as shall not in any manner impair or prejudice the value of the security hereof and shall be subject to the provisions of Article Fifteen hereof to the extent that such provisions shall be applicable. In the event of the consolidation or merger of any such corporation with, or the sale, conveyance, transfer or lease of its property to, the Company, this Indenture *ipso facto* shall become and be a lien upon all the estate, right, title and interest of the Company in any property or leasehold so acquired by the Company with the same force and effect as if the same had been directly owned by the Company at the date of this Indenture and conveyed to the Trustees hereunder; and the Company shall execute and deliver to the Trustees all such instruments as may be required of it by the Trustees further to establish and perfect such lien.

Any corporation, shares of whose capital stock are pledged hereunder, may consolidate with, merge into, or sell, convey, transfer or lease all or any part of its property to, any other person or corporation, *provided, however,* (1) that the value of the security under this Indenture shall not be in any way impaired or prejudiced thereby, (2) that the whole consideration payable, distributable or deliverable on account of the shares of capital stock pledged hereunder in the event of any such consolidation, merger, sale, conveyance or transfer (whether such consideration be in cash or otherwise) shall be pledged with and delivered to the Corporate Trustee and shall be and become subject to the lien of this Indenture and (3) that, if such corporation be a Subsidiary, either (a) its status will not be affected by the transaction or (b) the consolidated corporation, or the corporation into which such Subsidiary is merged, or to which its property is sold, con-

veyed, transferred or leased, is, or thereafter will be, a Subsidiary of the same class or (c) in the judgment of the Board of Directors evidenced by a Certified Resolution delivered to the Corporate Trustee, the transaction is desirable in connection with arrangements for control of the property of such Subsidiary by the Company and other corporations, and will be beneficial to the trust estate.

The capital stock of any corporation, any of whose stock is pledged hereunder, may for the purpose of carrying out any transaction permitted by the foregoing provisions of this Section 8, and as a part of or in contemplation of such transaction, be increased or reduced to the extent necessary therefor, *provided, however*, that the percentage of the capital stock of such corporation of each class pledged hereunder shall not be decreased by such increase or reduction of capital stock.

The Corporate Trustee may accept an Officers' Certificate as conclusive evidence that the value of the security hereof will not be impaired or prejudiced by any consolidation, merger, sale, conveyance, transfer or lease proposed to be made under the provisions of this Section 8.

The Corporate Trustee shall do any and all things proper to carry into effect the purposes of this Section 8, and in order to facilitate any consolidation, merger, sale, conveyance, transfer or lease contemplated by this Section 8, the Corporate Trustee, if necessary, shall either vote or transfer into the name of the Company, under such restrictions as it may deem sufficient for the protection of the holders of the Bonds hereby secured, the stock of any corporation about to be so merged or consolidated; but the certificates for any shares so transferred into the name of the Company shall forthwith be delivered to and held by the Corporate Trustee hereunder and the Company shall execute and deliver to the Corporate Trustee such instruments as the Corporate Trustee shall deem necessary in order to enable it to transfer such shares back into its own name.

SECTION 9. All moneys received by the Corporate Trustee under any of the provisions of this Article Eight shall be held and disposed of by it as provided in Section 9 of Article Twelve hereof, unless specific provision for the disposition thereof is made in this Article Eight, and any securities so received shall become subject to the lien and to all the terms and provisions of this Indenture.

#### ARTICLE NINE.

##### REMEDIES OF TRUSTEES AND BONDHOLDERS.

SECTION 1. The Company will not, directly or indirectly, extend or assent to the extension of the time of payment of any coupon or claim for interest which may be payable on any of the Bonds and it will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or refunding said coupons or claims for interest or in any other manner. If the time of payment of any such coupon or claim for interest shall be so extended, whether or not by or with the consent of the Company, such coupon or claim for interest shall not be entitled, in case of default hereunder, to the benefit of the security of this Indenture, except subject to the prior payment in full of the principal of all Bonds then outstanding or pledged and all coupons and claims for interest payable thereon, the payment of which shall not have been so extended; *provided, however*, that the foregoing provisions of this Section 1 shall not be applicable to any coupon or claim for interest the time of payment of which shall have been extended, if such extension was made pursuant to the provisions of Article Sixteen hereof or to a plan proposed by the Company to all holders of any one or more series of Bonds. If any coupons on which interest shall be payable or claims for such interest shall be owned by the Company, or shall be purchased by or on its behalf, then such coupons or claims for interest shall not be en-

titled to the benefit or security of this Indenture and the Company covenants that all such coupons and claims for interest so owned by it, or purchased by or on its behalf, at or after their maturity, shall be cancelled promptly.

SECTION 2. If one or more of the following events, herein called Events of Default, shall happen, that is to say:

(a) if default shall be made in the payment of any instalment of interest on any of the Bonds when such interest shall be due and payable, and such default shall continue for sixty days; or

(b) if default shall be made in the payment of the principal of any of the Bonds when the same shall become due and payable either by the terms thereof or otherwise; or

(c) if default shall be made in the payment of any instalment of any sinking fund provided for herein, or in any indenture supplemental hereto, when and as the same shall become due and payable in accordance with the provisions of this Indenture or any indenture supplemental hereto, and such default shall continue for sixty days; or

(d) if default shall be made in the observance or performance of any other covenants, conditions and agreements on the part of the Company contained in the Bonds or in this Indenture or in any indenture supplemental hereto, and such default shall continue for sixty days (or in the case of any default under a supplemental indenture for such other time, if any, as may be specified therein) after written notice specifying such default and requiring the same to be remedied shall have been given to the Company by the Corporate Trustee, which notice may be given by the Corporate Trustee in its discretion, and shall be given on the written request of the holders of ten per cent. (10%)

in principal amount of the Bonds at the time outstanding; or

(e) if an application shall be made for the appointment of a Receiver of all or any substantial part of the property of the Company or for a reorganization of the Company under the provisions of the Federal Bankruptcy Act or any other law, federal or state, or to invoke for the Company the advantage of any law in aid of debtors, and if either (1) such application shall be made, consented to, or acquiesced in, by the Company, or (2) a Receiver shall be appointed by an order or decree of a court of competent jurisdiction and such order or decree shall continue unstayed on appeal or otherwise and in effect for a period of sixty days;

then, and in each and every such case, the Trustees personally or by their agents or attorneys may enter into and upon all or any part of the trust estate, and each and every part thereof, and may exclude the Company, its agents and servants, wholly therefrom; and having and holding the same may use, operate, manage and control the same, and conduct the business thereof, either personally or by their superintendents, managers, agents, servants, or attorneys, or by a Receiver, in such manner as the Trustees may deem to be to the best advantage of the holders of the Bonds, and upon every such entry the Trustees, at the expense of the trust estate, from time to time, either by purchase, repair or construction, may maintain and restore the Equipment, tools and machinery and other property, buildings, bridges and structures erected upon or provided for use in connection with the railways and other premises whereof they shall become possessed as aforesaid, and may insure or keep insured the same in the manner and to the extent which in their judgment shall be appropriate; and likewise from time to time, at the expense of the trust estate, may make all necessary or proper repairs,

renewals and replacements and useful alterations, additions, betterments and improvements thereto and thereon, and purchase or otherwise secure the use of additional Equipment, tools, machinery and other property for use thereon, as to them may seem proper; and, in such case, the Trustees shall have the right to manage the trust estate and to carry on the business and exercise all rights and powers of the Company, either in the name of the Company or otherwise, as the Trustees shall deem best; and shall be entitled to collect and receive all fares, tolls, earnings, incomes, rents, issues, revenues and profits of the same and every part thereof, including the income from the pledged securities, as defined in Section 1 of Article Eight hereof; and after deducting the expenses of operating said railways and other premises, and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments and improvements, and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the trust estate, or any part thereof, as well as just and reasonable compensation for their own services and for the services of all attorneys, counsel, agents, clerks, servants and other employees by them properly engaged and employed, the Trustees shall apply the moneys arising as aforesaid as follows:

*First*, to the payment of all unpaid interest on the Bonds, with interest thereon at the respective rates carried by the Bonds, *second* (subject to the provisions of Section 3 of this Article Nine), if any of the Bonds shall have become due, by declaration or otherwise, to the payment of the principal of all Bonds, whether due or not, with interest on Bonds which have become due from the date on which the same became due at the respective rates carried by such Bonds, such payment to be made in every instance ratably to the persons entitled thereto without discrimination or preference, and *third*, if none of the Bonds shall have become due,

fied therein any unclaimed balance of such moneys then remaining will be repaid to the Company, to be published once each week for four successive weeks in one Qualified Newspaper in the Borough of Manhattan, City and State of New York and one Qualified Newspaper in the City of Baltimore, Maryland.

In no event shall the holders of such Bonds or coupons be entitled to interest upon moneys so deposited, whether remaining with the Paying Agent or the Corporate Trustee or so repaid to the Company.

SECTION 3. No director or officer of the Company shall incur any liability to any holder of any Bond or coupon in respect of any exercise, in good faith, of any discretion conferred on such officer, or on the Board of Directors, under any provision of this Indenture.

The Company will indemnify each officer and director against all costs, expenses and liabilities resulting from, or in connection with, any suit or other legal proceedings instituted against any such officer or director by any holder of any Bond or coupon, including, without limitation, the cost of any settlement of any claim made in any such suit or other proceedings which shall have been approved by the Board of Directors; *provided, however*, that the provisions of this paragraph shall not be applicable unless the Board of Directors, after such investigation as it may deem proper, shall determine that in its opinion the action complained of was taken in good faith and without intention to violate the provisions of this Indenture.

SECTION 4. Nothing in this Indenture expressed or implied is intended or shall be construed to give to any person, firm or corporation other than the parties hereto and the holders of the Bonds and coupons, any legal or equitable right, remedy or claim under or in respect of this

Indenture, or any covenant, condition or provision herein contained, all the covenants, conditions and provisions hereof being and intended to be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and coupons.

SECTION 5. Interest payable to the Trustees or to the Corporate Trustee under any provision of this Indenture shall be at the following rate or rates per annum; so long as there shall be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the current rediscount rate of such Federal Reserve Bank, plus  $1\frac{1}{2}\%$ ; *provided, however*, that such interest shall be not less than  $3\frac{1}{2}\%$  nor more than  $6\%$  per annum; if for any reason there shall cease to be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the rate of  $4\%$  per annum.

SECTION 6. Mercantile Trust Company of Baltimore and Nelson H. Stritehoff, parties of the second part hereto, hereby accept the trusts in this Indenture declared and provided and agree to perform the same upon the terms and conditions herein set forth.

IN WITNESS WHEREOF, SEABOARD AIR LINE RAILROAD COMPANY, the party of the first part, has caused this Indenture to be signed and acknowledged by its President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary; MERCANTILE TRUST COMPANY OF BALTIMORE, one of the parties of the second part, has caused this Indenture to be signed and acknowledged by a Vice-President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of an Assistant Secretary, and NELSON H. STRITEHOFF, one of the parties of the second part, has



hereto set his hand and seal, all as of the first day of  
January, 1946.

SEABOARD AIR LINE RAILROAD COMPANY,

by JOSEPH FRANCE

Vice-President.

[CORPORATE SEAL]

Attest:

TRISTAN ANTELL

Secretary.

Signed, sealed and acknowledged by  
Seaboard Air Line Railroad Com-  
pany in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

MERCANTILE TRUST COMPANY OF BALTIMORE

by A. F. DEMPSEY

Vice-President.

[CORPORATE SEAL]

Attest:

H. I. KEYSER II

Assistant Secretary.

NELSON H. STRITEHOFF

[L. S.]

Signed, sealed and acknowledged by  
Mercantile Trust Company of Bal-  
timore and Nelson H. Stritehoff  
in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

STATE OF NEW YORK }  
 COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Joseph France and Tristan Antell, each to me personally known and personally known to me to be respectively the Vice-President and the Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said Joseph France and Tristan Antell, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said Joseph France resides in the County of Baltimore, State of Maryland, and the said Tristan Antell resides in the County of Kings, State of New York; that the said Joseph France is Vice-President and the said Tristan Antell is Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said Joseph France and Tristan Antell, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said corporation is such corporate seal; that

it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacities as Vice-President and Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that Joseph France and Tristan Antell, whose names as Vice-President and Secretary of Seaboard Air Line Railroad Company, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County and State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY

Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Seaboard Air Line Railroad Company, party of the first part to the above and foregoing instrument, by Joseph France, its Vice-President, execute and deliver the foregoing instrument, and by Tristan Antell, its Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, A. F. Dempsey and H. I. Keyser, II, each to me personally known and personally known to me to be respectively a Vice-President and an Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said A. F. Dempsey and H. I. Keyser, II, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said A. F. Dempsey resides in the City of Baltimore, State of Maryland, and the said H. I. Keyser, II, resides in the County of Baltimore, State of Maryland; that the said A. F. Dempsey is Vice-President and the said H. I. Keyser, II, is Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said A. F. Dempsey and H. I. Keyser, II, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said cor-

poration is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacity as Vice-President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that A. F. Dempsey and H. I. Keyser, II, whose names as Vice-President and Assistant Secretary of Mercantile Trust Company of Baltimore, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County of New York, State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Mercantile Trust Company of Baltimore, as one of the parties of the second part to the above and foregoing instrument, by A. F. Dempsey its Vice-President, execute and deliver the foregoing instrument, and by H. I. Keyser, II, its Assistant Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My Commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

STATE OF NEW YORK, }  
 COUNTY OF NEW YORK, } ss.

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Nelson H. Stritehoff, one of the parties to the above and foregoing instrument, to me well known as the person described in and who executed the same, whose name as one of the parties is signed thereto, and being informed of the contents thereof, has acknowledged the same before me in my County aforesaid, has acknowledged the due execution of the same, that he did sign, seal and deliver the same of his own free will and accord, and has acknowledged to and before me that he executed the same for the uses and purposes therein named and expressed; and I further certify that Nelson H. Stritehoff, whose name is signed to the writing above bearing date on the 1st day of January, 1946, has acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the County of New York, in said State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY  
 Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
 Notary Public, New York County No. 343, Reg. 429-M-7,  
 Commission expires March 30, 1947



STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw the within named Nelson H. Stritehoff, as one of the parties of the second part to the above and foregoing instrument sign, seal and, as his act and deed as such party, deliver the foregoing instrument and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

In the event that two or more such certificates shall be issued in respect of any Bond or Bonds, the certificate bearing the latest date shall be recognized and be deemed to supersede all certificates previously issued with respect to such Bond or Bonds. Neither the person named in any such certificate nor his proxy shall be entitled to vote at any such meeting if (1) another certificate bearing a later date issued in respect of the same Bond shall be produced, (2) the Bond specified in such certificate shall itself be produced at the meeting (or in case such Bond shall have been surrendered in exchange for another coupon Bond pursuant to this Indenture or any supplemental indenture, such other Bond shall be produced), or (3) the Bond specified in such certificate shall then be registered as to principal or shall have been exchanged for a registered Bond pursuant to this Indenture or any supplemental indenture or shall have been converted into stock of the Company.

Registered owners of fully registered Affected Bonds and coupon Affected Bonds registered as to principal may, by proxy duly executed in writing, appoint any person to represent them and vote for them at any such meeting or any adjournment thereof. Each such writing shall state the aggregate principal amount of Bonds regarding which the person authorized thereby is entitled to vote.

SECTION 4. To be entitled to vote at any such meeting a person shall be (a) a holder of a coupon Affected Bond transferable by delivery, (b) a registered owner of a coupon Affected Bond registered as to principal or of a fully registered Affected Bond, or a proxy for such registered owner, or (c) subject to clauses (1), (2) and (3) of Section 3 of this Article Sixteen, the person named in a certificate issued pursuant to said Section 3 or his proxy. The only persons who shall be entitled to be present or to speak at any such meeting shall be the persons entitled to vote thereat and the counsel of any such person and any

representatives of the Trustees and their counsel and any representatives of the Company and its counsel.

Bonds known by the Corporate Trustee to be owned or held by or for the account of the Company or any Affiliated Company, or any corporation or corporations or person owning, directly or indirectly, a majority of the voting stock of the Company, shall not be deemed to be outstanding for any purpose of this Article Sixteen, except that any Bond pledged by the Company, or by any Affiliated Company, or by any such corporation or person, as security for loans or other obligations, otherwise than to another Affiliated Company or to another such corporation or person, shall be deemed to be outstanding for all purposes of this Article Sixteen, if the pledgee is entitled pursuant to the terms of its pledge agreement and is free to exercise in its or his discretion the right to vote such Bonds, uncontrolled by the Company, by any Affiliated Company, or by any such corporation or person.

Bonds of Series A held by the Scrip Agent under the Scrip Agreement referred to in Section 3 of Article Four hereof shall not be deemed to be outstanding for any purpose of this Article Sixteen.

SECTION 5. The representation of a majority in aggregate principal amount of the Affected Bonds, by the persons holding such Bonds or by proxy, shall be necessary to constitute a quorum at any such meeting, but less than a quorum may adjourn the meeting from time to time and from place to place and the meeting may be held as adjourned without further notice, whether such adjournment shall have been had by a quorum or by less than a quorum. The Corporate Trustee shall by instrument in writing appoint a temporary chairman of the meeting, and the meeting shall be organized by the election of a permanent chairman and a secretary. At any meeting the votes of the holders of the Affected Bonds on any election, motion, resolution, or other action shall be counted on the

basis of the principal amount of the Affected Bonds which such holders are respectively entitled to vote.

SECTION 6. At any such meeting at which there shall be a quorum the holders of the Affected Bonds shall have the power by resolution adopted as hereinafter provided:

(a) to authorize the Trustees to join with the Company in making any amendment or repeal of or addition to any provision of this Indenture or any supplement hereto, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds, of all or any series, and appurtenant coupons, under this Indenture or any supplement hereto, *provided, however*, that no modification or repeal of or addition to the provisions of this Indenture or any indenture supplemental hereto shall be effective until approved by resolution of the Board of Directors;

(b) to sanction any compromise of the rights of the holders of the Affected Bonds against the Company or against its property whether such rights shall arise under the provisions of this Indenture or otherwise;

(c) at the request, or with the consent, of the Company to postpone the time of payment of any instalments of interest on any Bonds until any specified fixed or determinable date or until the happening of any specified contingency, but not later, in any case, than January 1, 1996; *provided, however*, that the number of semi-annual interest instalments, the time of payment of which may be so postponed (including any instalments theretofore postponed and not theretofore paid), may not exceed ten such semi-annual instalments;

(d) to require the Trustees on having entered into or taken possession of the trust estate, or any part

thereof, to restore the same to the Company upon such conditions as may be approved at said meeting;

(e) to terminate, either before or after an event of default, the lien of this Indenture or any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and to cause the same to revert to the Company free and clear of the lien hereof, upon such conditions as may be approved at said meeting;

(f) to sanction any plan for the reorganization, re-adjustment or liquidation of the Company, or to designate a reorganization manager or managers;

(g) to authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed;

(h) to waive any default on the part of the Company, upon such terms as may be approved at said meeting;

(i) in the event of the unification of the properties of the Company with the properties of any other corporation, to provide for the exclusion of the earnings of such other properties, in whole or in part, in determining Available Net Income, and/or for the determination of Available Net Income without the maintenance of separate accounts, all upon such terms as may be approved at said meeting; and

(j) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture.

The affirmative vote of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) in principal amount of the Affected Bonds at the time outstanding, shall be necessary to the adoption

of any resolution under this Section 6; *provided, however,* (1) that, except to the extent provided in the foregoing subparagraph (c), no such resolution shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon, or shall change the percentage of Bonds required to consent to any amendment, modification or alteration pursuant to this Article Sixteen, and (2) that if the adoption of any such resolution would affect the rights of the holders of the Bonds of any one or more series, but would not affect in the same manner or to the same extent the rights of the holders of the Bonds of any other series, the affirmative vote of holders of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Bonds of each series at the time outstanding shall also be necessary for the adoption of such resolution.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

SECTION 7. The vote upon any resolution shall be by ballot, and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article Sixteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one

of the duplicates shall be delivered to the Company and the other to the Corporate Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 8. Any resolution adopted in accordance with the provisions of Section 6 of this Article Sixteen at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and all Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns. The Trustees shall be bound to give effect to any such resolution.

SECTION 9. Bonds authenticated and delivered after the date of any such meeting may bear a notation in form approved by the Corporate Trustee as to any action taken at any such meeting theretofore held, and upon the demand of the holder of any Affected Bond outstanding at the date of any such meeting and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on such Bond, by endorsement or otherwise, as to any action taken at any such meeting theretofore held. If the Company or the Corporate Trustee shall so determine, new Bonds, so modified as to conform, in the opinion of the Trustees, and the Board of Directors, to any resolution adopted as provided in this Article Sixteen shall be prepared by the Company, authenticated by the Corporate Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds with all coupons not previously

payable, in equal aggregate principal amounts. The Company or the Corporate Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

Indentures supplemental to this Indenture, embodying any modification or repeal of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds and appurtenant coupons, made as provided in this Article Sixteen, may be executed by the Trustees and the Company, and, upon demand of the Corporate Trustee, or if so specified in any resolution adopted at any meeting provided for in this Article Sixteen, shall be executed by the Company and the Trustees.

SECTION 10. Any power exercisable at any meeting convened pursuant to this Article Sixteen may also be exercised by an instrument or instruments signed by the holders of the same percentage of Affected Bonds as would be required for the adoption of a resolution pursuant to Section 6 of this Article Sixteen and delivered to the Corporate Trustee together with such proof of the fact and date of the execution thereof, and the fact and date of the holding of Bonds by the signers thereof, as may be required by the Trustees under the provisions of Article Eleven hereof.

## ARTICLE SEVENTEEN.

### MISCELLANEOUS PROVISIONS.

SECTION 1. Except as otherwise expressly provided in this Indenture, all coupon Bonds and appurtenant coupons cancelled pursuant to any provisions of this Indenture shall be cremated, subject to such rules and regula-



tions, if any, as may be prescribed by the Interstate Commerce Commission; unless such rules and regulations otherwise require, any such cremation shall be by the Corporate Trustee. Registered Bonds without coupons cancelled pursuant to any provision of this Indenture shall be delivered from time to time to the Company.

SECTION 2. Any moneys received by any Paying Agent under any provision of this Indenture for the payment of the principal of, or the premium, if any, or interest on, the Bonds shall be held in trust for the holders of the Bonds and coupons for the payment of which such moneys were received until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the general funds of the Paying Agent, and the Paying Agent shall not be under any liability for interest on any such moneys, except such as it may agree with the Company to pay thereon.

Upon the request of the Company any moneys held by any Paying Agent or by the Corporate Trustee which shall have been deposited for the payment of the principal of, or the premium, if any, or interest on, any Bonds and which may remain unclaimed by the holders of Bonds or coupons respectively entitled thereto for six years after the date when such moneys were payable shall be repaid by the Paying Agent or the Corporate Trustee, as the case may be, to the Company and any liability of the Paying Agent or the Corporate Trustee with respect to such moneys shall cease upon such repayment and the holders of such Bonds and coupons shall thereafter be entitled to look only to the Company, as the holders of general claims, for the payment thereof, subject to the applicable statute of limitations, *provided, however*, that the Corporate Trustee, before being required to make any such repayment, may, at the expense of the Company, cause notice that such moneys have not been claimed and that after a date speci-

fied therein any unclaimed balance of such moneys then remaining will be repaid to the Company, to be published once each week for four successive weeks in one Qualified Newspaper in the Borough of Manhattan, City and State of New York and one Qualified Newspaper in the City of Baltimore, Maryland.

In no event shall the holders of such Bonds or coupons be entitled to interest upon moneys so deposited, whether remaining with the Paying Agent or the Corporate Trustee or so repaid to the Company.

SECTION 3. No director or officer of the Company shall incur any liability to any holder of any Bond or coupon in respect of any exercise, in good faith, of any discretion conferred on such officer, or on the Board of Directors, under any provision of this Indenture.

The Company will indemnify each officer and director against all costs, expenses and liabilities resulting from, or in connection with, any suit or other legal proceedings instituted against any such officer or director by any holder of any Bond or coupon, including, without limitation, the cost of any settlement of any claim made in any such suit or other proceedings which shall have been approved by the Board of Directors; *provided, however*, that the provisions of this paragraph shall not be applicable unless the Board of Directors, after such investigation as it may deem proper, shall determine that in its opinion the action complained of was taken in good faith and without intention to violate the provisions of this Indenture.

SECTION 4. Nothing in this Indenture expressed or implied is intended or shall be construed to give to any person, firm or corporation other than the parties hereto and the holders of the Bonds and coupons, any legal or equitable right, remedy or claim under or in respect of this

Indenture, or any covenant, condition or provision herein contained, all the covenants, conditions and provisions hereof being and intended to be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and coupons.

SECTION 5. Interest payable to the Trustees or to the Corporate Trustee under any provision of this Indenture shall be at the following rate or rates per annum; so long as there shall be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the current rediscount rate of such Federal Reserve Bank, plus  $1\frac{1}{2}\%$ ; *provided, however*, that such interest shall be not less than  $3\frac{1}{2}\%$  nor more than  $6\%$  per annum; if for any reason there shall cease to be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the rate of  $4\%$  per annum.

SECTION 6. Mercantile Trust Company of Baltimore and Nelson H. Stritehoff, parties of the second part hereto, hereby accept the trusts in this Indenture declared and provided and agree to perform the same upon the terms and conditions herein set forth.

IN WITNESS WHEREOF, SEABOARD AIR LINE RAILROAD COMPANY, the party of the first part, has caused this Indenture to be signed and acknowledged by its President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary; MERCANTILE TRUST COMPANY OF BALTIMORE, one of the parties of the second part, has caused this Indenture to be signed and acknowledged by a Vice-President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of an Assistant Secretary, and NELSON H. STRITEHOFF, one of the parties of the second part, has

hereto set his hand and seal, all as of the first day of  
January, 1946.

SEABOARD AIR LINE RAILROAD COMPANY,

by JOSEPH FRANCE

Vice-President.

[CORPORATE SEAL]

Attest:

TRISTAN ANTELL

Secretary.

Signed, sealed and acknowledged by  
Seaboard Air Line Railroad Com-  
pany in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

MERCANTILE TRUST COMPANY OF BALTIMORE

by A. F. DEMPSEY

Vice-President.

[CORPORATE SEAL]

Attest:

H. I. KEYSER II

Assistant Secretary.

NELSON H. STRITEHOFF

[L. S.]

Signed, sealed and acknowledged by  
Mercantile Trust Company of Bal-  
timore and Nelson H. Stritehoff  
in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Joseph France and Tristan Antell, each to me personally known and personally known to me to be respectively the Vice-President and the Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said Joseph France and Tristan Antell, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said Joseph France resides in the County of Baltimore, State of Maryland, and the said Tristan Antell resides in the County of Kings, State of New York; that the said Joseph France is Vice-President and the said Tristan Antell is Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said Joseph France and Tristan Antell, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said corporation is such corporate seal; that

it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacities as Vice-President and Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that Joseph France and Tristan Antell, whose names as Vice-President and Secretary of Seaboard Air Line Railroad Company, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County and State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY

Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Seaboard Air Line Railroad Company, party of the first part to the above and foregoing instrument, by Joseph France, its Vice-President, execute and deliver the foregoing instrument, and by Tristan Antell, its Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, A. F. Dempsey and H. I. Keyser, II, each to me personally known and personally known to me to be respectively a Vice-President and an Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said A. F. Dempsey and H. I. Keyser, II, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said A. F. Dempsey resides in the City of Baltimore, State of Maryland, and the said H. I. Keyser, II, resides in the County of Baltimore, State of Maryland; that the said A. F. Dempsey is Vice-President and the said H. I. Keyser, II, is Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said A. F. Dempsey and H. I. Keyser, II, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said cor-



poration is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacity as Vice-President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that A. F. Dempsey and H. I. Keyser, II, whose names as Vice-President and Assistant Secretary of Mercantile Trust Company of Baltimore, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County of New York, State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Mercantile Trust Company of Baltimore, as one of the parties of the second part to the above and foregoing instrument, by A. F. Dempsey its Vice-President, execute and deliver the foregoing instrument, and by H. I. Keyser, II, its Assistant Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My Commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

ing in this paragraph shall be construed to require the employment of any such engineer, accountant, expert or adviser.

(h) The Trustees may consult with counsel (who may be counsel for the Company) and the opinion of such counsel and any Opinion of Counsel delivered to the Trustees, or either of them, in accordance with this Indenture shall be full and complete authority and protection in respect of any action taken, suffered or omitted by them, or either of them, hereunder in good faith, in accordance with any such opinion. The Trustees shall not be under any responsibility for the acts or omissions of any counsel, engineer, accountant, expert, appraiser or other person or persons employed for any of the purposes of this Indenture, provided that the Trustee shall have exercised reasonable care in the selection and continued employment of such counsel, engineer, accountant, expert, appraiser or other person or persons.

(i) Any notice, resolution, request, certificate, document or instrument which in accordance with any provision of this Indenture is required or permitted to be delivered to the Trustees, or either of them, may be accepted without further inquiry and the Trustees shall not be liable for any action taken, suffered or omitted in good faith and in reliance thereon. The Trustees shall be under no duty to make any further investigation into the matters covered by any such resolution, certificate, statement, appraisal, opinion, report, order or other paper before granting any application for the authentication or delivery of Bonds or for the payment of any Deposited Cash or for the execution of any release or any other application to the Trustees, or either of them, hereunder, *provided, however*, that if, prior to action had thereon, the holders of not less than ten per cent. (10%) in principal amount of the out-

standing Bonds shall in writing request the Trustees, or the Corporate Trustee, so to do and shall furnish security and indemnity satisfactory to the Corporate Trustee against the costs and expenses of the investigation, the Trustees shall make such further investigation as to the Corporate Trustee may seem proper, and *provided further*, that the Trustees may in their discretion make any such independent inquiry or investigation as they may see fit. If the Trustees shall determine, or shall be requested as aforesaid, to make said further investigation, they shall be entitled to examine the books, records and premises of the Company, themselves or by agent or attorney; and unless the Trustees shall be satisfied, with or without said examination, of the truth and accuracy of the matters stated in any such resolution, certificate, statement, appraisal, opinion, report, order or other paper, the Trustees shall not be under any obligation to grant the application. If after such examination or other inquiry the Trustees shall determine to grant the application, they shall not be liable for any action taken with due care and in good faith. The reasonable expense of every examination shall be paid by the Company, or if paid by the Corporate Trustee, shall be repaid by the Company upon demand, with interest, and until said repayment shall be secured by a lien on the trust estate and the proceeds thereof prior to the lien of the Bonds.

(j) The Company covenants and agrees to pay to the Trustees from time to time, on demand of the Corporate Trustee, reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of trustees of an express trust) for all services rendered by them hereunder and also their reasonable expenses and counsel fees and other disbursements, and those of their attorneys, agents and employees, incurred in the administration and execution of the trusts hereby created and the

exercise of their powers and the performance of their duties hereunder.

The Company also covenants to indemnify the Trustees for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest to the Corporate Trustee upon all amounts paid, advanced or disbursed by the Corporate Trustee for which it is entitled to reimbursement or indemnity as herein provided.

The Trustees shall have a lien on the trust estate and the proceeds thereof, prior to the lien of the Bonds, for all amounts agreed to be paid by, and for all obligations of, the Company under this clause (j).

(k) Whenever in the administration of the trusts created by this Indenture the Trustees, or either of them, shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, said matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be proved and established by an Officers' Certificate delivered to the Corporate Trustee, but in their discretion the Trustees may require such further or additional evidence as to them may seem reasonable.

(l) The Corporate Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of this Indenture, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Corporate Trustee may agree with the Company to pay.

thereof, to restore the same to the Company upon such conditions as may be approved at said meeting;

(e) to terminate, either before or after an event of default, the lien of this Indenture or any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and to cause the same to revert to the Company free and clear of the lien hereof, upon such conditions as may be approved at said meeting;

(f) to sanction any plan for the reorganization, re-adjustment or liquidation of the Company, or to designate a reorganization manager or managers;

(g) to authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed;

(h) to waive any default on the part of the Company, upon such terms as may be approved at said meeting;

(i) in the event of the unification of the properties of the Company with the properties of any other corporation, to provide for the exclusion of the earnings of such other properties, in whole or in part, in determining Available Net Income, and/or for the determination of Available Net Income without the maintenance of separate accounts, all upon such terms as may be approved at said meeting; and

(j) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture.

The affirmative vote of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) in principal amount of the Affected Bonds at the time outstanding, shall be necessary to the adoption

of any resolution under this Section 6; *provided, however,* (1) that, except to the extent provided in the foregoing subparagraph (c), no such resolution shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon, or shall change the percentage of Bonds required to consent to any amendment, modification or alteration pursuant to this Article Sixteen, and (2) that if the adoption of any such resolution would affect the rights of the holders of the Bonds of any one or more series, but would not affect in the same manner or to the same extent the rights of the holders of the Bonds of any other series, the affirmative vote of holders of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Bonds of each series at the time outstanding shall also be necessary for the adoption of such resolution.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

SECTION 7. The vote upon any resolution shall be by ballot, and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article Sixteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one

of the duplicates shall be delivered to the Company and the other to the Corporate Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 8. Any resolution adopted in accordance with the provisions of Section 6 of this Article Sixteen at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and all Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns. The Trustees shall be bound to give effect to any such resolution.

SECTION 9. Bonds authenticated and delivered after the date of any such meeting may bear a notation in form approved by the Corporate Trustee as to any action taken at any such meeting theretofore held, and upon the demand of the holder of any Affected Bond outstanding at the date of any such meeting and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on such Bond, by endorsement or otherwise, as to any action taken at any such meeting theretofore held. If the Company or the Corporate Trustee shall so determine, new Bonds, so modified as to conform, in the opinion of the Trustees, and the Board of Directors, to any resolution adopted as provided in this Article Sixteen shall be prepared by the Company, authenticated by the Corporate Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds with all coupons not previously



payable, in equal aggregate principal amounts. The Company or the Corporate Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

Indentures supplemental to this Indenture, embodying any modification or repeal of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds and appurtenant coupons, made as provided in this Article Sixteen, may be executed by the Trustees and the Company, and, upon demand of the Corporate Trustee, or if so specified in any resolution adopted at any meeting provided for in this Article Sixteen, shall be executed by the Company and the Trustees.

SECTION 10. Any power exercisable at any meeting convened pursuant to this Article Sixteen may also be exercised by an instrument or instruments signed by the holders of the same percentage of Affected Bonds as would be required for the adoption of a resolution pursuant to Section 6 of this Article Sixteen and delivered to the Corporate Trustee together with such proof of the fact and date of the execution thereof, and the fact and date of the holding of Bonds by the signers thereof, as may be required by the Trustees under the provisions of Article Eleven hereof.

## ARTICLE SEVENTEEN.

### MISCELLANEOUS PROVISIONS.

SECTION 1. Except as otherwise expressly provided in this Indenture, all coupon Bonds and appurtenant coupons cancelled pursuant to any provisions of this Indenture shall be cremated, subject to such rules and regula-

tions, if any, as may be prescribed by the Interstate Commerce Commission; unless such rules and regulations otherwise require, any such cremation shall be by the Corporate Trustee. Registered Bonds without coupons cancelled pursuant to any provision of this Indenture shall be delivered from time to time to the Company.

SECTION 2. Any moneys received by any Paying Agent under any provision of this Indenture for the payment of the principal of, or the premium, if any, or interest on, the Bonds shall be held in trust for the holders of the Bonds and coupons for the payment of which such moneys were received until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the general funds of the Paying Agent, and the Paying Agent shall not be under any liability for interest on any such moneys, except such as it may agree with the Company to pay thereon.

Upon the request of the Company any moneys held by any Paying Agent or by the Corporate Trustee which shall have been deposited for the payment of the principal of, or the premium, if any, or interest on, any Bonds and which may remain unclaimed by the holders of Bonds or coupons respectively entitled thereto for six years after the date when such moneys were payable shall be repaid by the Paying Agent or the Corporate Trustee, as the case may be, to the Company and any liability of the Paying Agent or the Corporate Trustee with respect to such moneys shall cease upon such repayment and the holders of such Bonds and coupons shall thereafter be entitled to look only to the Company, as the holders of general claims, for the payment thereof, subject to the applicable statute of limitations, *provided, however*, that the Corporate Trustee, before being required to make any such repayment, may, at the expense of the Company, cause notice that such moneys have not been claimed and that after a date speci-

fied therein any unclaimed balance of such moneys then remaining will be repaid to the Company, to be published once each week for four successive weeks in one Qualified Newspaper in the Borough of Manhattan, City and State of New York and one Qualified Newspaper in the City of Baltimore, Maryland.

In no event shall the holders of such Bonds or coupons be entitled to interest upon moneys so deposited, whether remaining with the Paying Agent or the Corporate Trustee or so repaid to the Company.

SECTION 3. No director or officer of the Company shall incur any liability to any holder of any Bond or coupon in respect of any exercise, in good faith, of any discretion conferred on such officer, or on the Board of Directors, under any provision of this Indenture.

The Company will indemnify each officer and director against all costs, expenses and liabilities resulting from, or in connection with, any suit or other legal proceedings instituted against any such officer or director by any holder of any Bond or coupon, including, without limitation, the cost of any settlement of any claim made in any such suit or other proceedings which shall have been approved by the Board of Directors; *provided, however*, that the provisions of this paragraph shall not be applicable unless the Board of Directors, after such investigation as it may deem proper, shall determine that in its opinion the action complained of was taken in good faith and without intention to violate the provisions of this Indenture.

SECTION 4. Nothing in this Indenture expressed or implied is intended or shall be construed to give to any person, firm or corporation other than the parties hereto and the holders of the Bonds and coupons, any legal or equitable right, remedy or claim under or in respect of this

Indenture, or any covenant, condition or provision herein contained, all the covenants, conditions and provisions hereof being and intended to be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and coupons.

SECTION 5. Interest payable to the Trustees or to the Corporate Trustee under any provision of this Indenture shall be at the following rate or rates per annum; so long as there shall be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the current rediscount rate of such Federal Reserve Bank, plus  $1\frac{1}{2}\%$ ; *provided, however*, that such interest shall be not less than  $3\frac{1}{2}\%$  nor more than  $6\%$  per annum; if for any reason there shall cease to be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the rate of  $4\%$  per annum.

SECTION 6. Mercantile Trust Company of Baltimore and Nelson H. Stritehoff, parties of the second part hereto, hereby accept the trusts in this Indenture declared and provided and agree to perform the same upon the terms and conditions herein set forth.

IN WITNESS WHEREOF, SEABOARD AIR LINE RAILROAD COMPANY, the party of the first part, has caused this Indenture to be signed and acknowledged by its President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary; MERCANTILE TRUST COMPANY OF BALTIMORE, one of the parties of the second part, has caused this Indenture to be signed and acknowledged by a Vice-President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of an Assistant Secretary, and NELSON H. STRITEHOFF, one of the parties of the second part, has

hereto set his hand and seal, all as of the first day of  
January, 1946.

SEABOARD AIR LINE RAILROAD COMPANY,

by JOSEPH FRANCE

Vice-President.

[CORPORATE SEAL]

Attest:

TRISTAN ANTELL

Secretary.

Signed, sealed and acknowledged by  
Seaboard Air Line Railroad Com-  
pany in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

MERCANTILE TRUST COMPANY OF BALTIMORE

by A. F. DEMPSEY

Vice-President.

[CORPORATE SEAL]

Attest:

H. I. KEYSER II

Assistant Secretary.

NELSON H. STRITEHOFF

[L. S.]

Signed, sealed and acknowledged by  
Mercantile Trust Company of Bal-  
timore and Nelson H. Stritehoff  
in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Joseph France and Tristan Antell, each to me personally known and personally known to me to be respectively the Vice-President and the Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said Joseph France and Tristan Antell, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said Joseph France resides in the County of Baltimore, State of Maryland, and the said Tristan Antell resides in the County of Kings, State of New York; that the said Joseph France is Vice-President and the said Tristan Antell is Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said Joseph France and Tristan Antell, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said corporation is such corporate seal; that

Trustees shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys, agents or employees, provided reasonable care has been exercised in the selection and in the continued employment of any such attorney, agent or employee, nor shall the Trustees be otherwise answerable or accountable under any circumstances whatsoever, except for negligence or bad faith. The Trustees shall not be under any obligation or duty to institute, appear in or defend any suit in respect hereof, unless first reasonably indemnified, and the Trustees shall not be under any obligation to take any action in respect of any default or otherwise or toward the execution or enforcement of any of the trusts hereby created or to institute, appear in or defend any suit or other proceeding in connection therewith, unless one or more of the holders of the Bonds shall, as often as required by the Trustees, furnish them with reasonable security and indemnity against the cost and expenses of said proceeding, but this provision shall not affect any discretionary power herein given to the Trustees to determine whether or not they shall take action in respect of such default or otherwise.

(d) Except as herein otherwise provided any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustees or any other person on the Company, shall be deemed to have been sufficiently given and served for all purposes if deposited, postage prepaid, in a United States Post Office letterbox or mail chute, addressed (until another address is filed by the Company with the Corporate Trustee and thereafter if addressed to such other address) as follows: Seaboard Air Line Railroad Company, Norfolk, Va. Any notice, request or demand by any holder of a Bond or Bonds to or upon the Trustees, or either of them shall be deemed to have been sufficiently given or made, for all purposes, if

given or made at the principal office of the Corporate Trustee.

(e) The Trustees shall not be bound to recognize any person as the holder of a Bond unless and until the Bond is submitted to the Corporate Trustee for inspection if requested, and the title thereto established to the satisfaction of the Corporate Trustee.

(f) The Trustees shall be justified in relying upon any Request, Certified Resolution or Officers' Certificate delivered to the Corporate Trustee pursuant to any provision of this Indenture, and upon any notice, resolution, request, waiver, consent, order, certificate, statement, affidavit, indemnity, bond, report, appraisal, opinion, telegram, cablegram, radiogram, letter, bond or other paper, document or instrument believed by them, or either of them, in the exercise of due care to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustees shall be entitled, in taking, failing to take, or permitting any action under the provisions of this Indenture, to assume that no Event of Default has happened and is continuing, unless (a) the Corporate Trustee shall have knowledge that an Event of Default has happened and is continuing or (b) the holders of not less than five per cent. (5%) in principal amount of the outstanding Bonds shall have notified the Trustees in writing that an Event of Default has happened and is continuing.

(g) In any instance or instances in which the Trustees are required or permitted, by any provision of this Indenture or in the execution of the trusts hereunder, to exercise discretion, the Trustees may employ an independent engineer, accountant, or other expert or adviser and the Trustees shall be fully protected in relying upon any statement of fact or opinion of any such engineer, accountant, expert or adviser; but noth-



ing in this paragraph shall be construed to require the employment of any such engineer, accountant, expert or adviser.

(h) The Trustees may consult with counsel (who may be counsel for the Company) and the opinion of such counsel and any Opinion of Counsel delivered to the Trustees, or either of them, in accordance with this Indenture shall be full and complete authority and protection in respect of any action taken, suffered or omitted by them, or either of them, hereunder in good faith, in accordance with any such opinion. The Trustees shall not be under any responsibility for the acts or omissions of any counsel, engineer, accountant, expert, appraiser or other person or persons employed for any of the purposes of this Indenture, provided that the Trustee shall have exercised reasonable care in the selection and continued employment of such counsel, engineer, accountant, expert, appraiser or other person or persons.

(i) Any notice, resolution, request, certificate, document or instrument which in accordance with any provision of this Indenture is required or permitted to be delivered to the Trustees, or either of them, may be accepted without further inquiry and the Trustees shall not be liable for any action taken, suffered or omitted in good faith and in reliance thereon. The Trustees shall be under no duty to make any further investigation into the matters covered by any such resolution, certificate, statement, appraisal, opinion, report, order or other paper before granting any application for the authentication or delivery of Bonds or for the payment of any Deposited Cash or for the execution of any release or any other application to the Trustees, or either of them, hereunder, *provided, however*, that if, prior to action had thereon, the holders of not less than ten per cent. (10%) in principal amount of the out-

standing Bonds shall in writing request the Trustees, or the Corporate Trustee, so to do and shall furnish security and indemnity satisfactory to the Corporate Trustee against the costs and expenses of the investigation, the Trustees shall make such further investigation as to the Corporate Trustee may seem proper, and *provided further*, that the Trustees may in their discretion make any such independent inquiry or investigation as they may see fit. If the Trustees shall determine, or shall be requested as aforesaid, to make said further investigation, they shall be entitled to examine the books, records and premises of the Company, themselves or by agent or attorney; and unless the Trustees shall be satisfied, with or without said examination, of the truth and accuracy of the matters stated in any such resolution, certificate, statement, appraisal, opinion, report, order or other paper, the Trustees shall not be under any obligation to grant the application. If after such examination or other inquiry the Trustees shall determine to grant the application, they shall not be liable for any action taken with due care and in good faith. The reasonable expense of every examination shall be paid by the Company, or if paid by the Corporate Trustee, shall be repaid by the Company upon demand, with interest, and until said repayment shall be secured by a lien on the trust estate and the proceeds thereof prior to the lien of the Bonds.

(j) The Company covenants and agrees to pay to the Trustees from time to time, on demand of the Corporate Trustee, reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of fiduciaries or of trustees of an express trust) for all services rendered by them hereunder and also their reasonable expenses and counsel fees and other disbursements, and those of their attorneys, agents and employees, incurred in the administration and execution of the trusts hereby created and the

exercise of their powers and the performance of their duties hereunder.

The Company also covenants to indemnify the Trustees for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest to the Corporate Trustee upon all amounts paid, advanced or disbursed by the Corporate Trustee for which it is entitled to reimbursement or indemnity as herein provided.

The Trustees shall have a lien on the trust estate and the proceeds thereof, prior to the lien of the Bonds, for all amounts agreed to be paid by, and for all obligations of, the Company under this clause (j).

(k) Whenever in the administration of the trusts created by this Indenture the Trustees, or either of them, shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, said matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be proved and established by an Officers' Certificate delivered to the Corporate Trustee, but in their discretion the Trustees may require such further or additional evidence as to them may seem reasonable.

(l) The Corporate Trustee shall be under no duty to invest any moneys paid to or deposited with it or to its credit pursuant to any of the provisions of this Indenture, and shall not be liable for interest on any moneys during the period such moneys remain on deposit with it, except such interest as the Corporate Trustee may agree with the Company to pay.

thereof, to restore the same to the Company upon such conditions as may be approved at said meeting;

(e) to terminate, either before or after an event of default, the lien of this Indenture or any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and to cause the same to revert to the Company free and clear of the lien hereof, upon such conditions as may be approved at said meeting;

(f) to sanction any plan for the reorganization, re-adjustment or liquidation of the Company, or to designate a reorganization manager or managers;

(g) to authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed;

(h) to waive any default on the part of the Company, upon such terms as may be approved at said meeting;

(i) in the event of the unification of the properties of the Company with the properties of any other corporation, to provide for the exclusion of the earnings of such other properties, in whole or in part, in determining Available Net Income, and/or for the determination of Available Net Income without the maintenance of separate accounts, all upon such terms as may be approved at said meeting; and

(j) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture.

The affirmative vote of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) in principal amount of the Affected Bonds at the time outstanding, shall be necessary to the adoption

of any resolution under this Section 6; *provided, however,* (1) that, except to the extent provided in the foregoing subparagraph (c), no such resolution shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon, or shall change the percentage of Bonds required to consent to any amendment, modification or alteration pursuant to this Article Sixteen, and (2) that if the adoption of any such resolution would affect the rights of the holders of the Bonds of any one or more series, but would not affect in the same manner or to the same extent the rights of the holders of the Bonds of any other series, the affirmative vote of holders of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Bonds of each series at the time outstanding shall also be necessary for the adoption of such resolution.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

SECTION 7. The vote upon any resolution shall be by ballot, and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article Sixteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one

of the duplicates shall be delivered to the Company and the other to the Corporate Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 8. Any resolution adopted in accordance with the provisions of Section 6 of this Article Sixteen at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and all Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns. The Trustees shall be bound to give effect to any such resolution.

SECTION 9. Bonds authenticated and delivered after the date of any such meeting may bear a notation in form approved by the Corporate Trustee as to any action taken at any such meeting theretofore held, and upon the demand of the holder of any Affected Bond outstanding at the date of any such meeting and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on such Bond, by endorsement or otherwise, as to any action taken at any such meeting theretofore held. If the Company or the Corporate Trustee shall so determine, new Bonds, so modified as to conform, in the opinion of the Trustees, and the Board of Directors, to any resolution adopted as provided in this Article Sixteen shall be prepared by the Company, authenticated by the Corporate Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds with all coupons not previously

payable, in equal aggregate principal amounts. The Company or the Corporate Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

Indentures supplemental to this Indenture, embodying any modification or repeal of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds and appurtenant coupons, made as provided in this Article Sixteen, may be executed by the Trustees and the Company, and, upon demand of the Corporate Trustee, or if so specified in any resolution adopted at any meeting provided for in this Article Sixteen, shall be executed by the Company and the Trustees.

SECTION 10. Any power exercisable at any meeting convened pursuant to this Article Sixteen may also be exercised by an instrument or instruments signed by the holders of the same percentage of Affected Bonds as would be required for the adoption of a resolution pursuant to Section 6 of this Article Sixteen and delivered to the Corporate Trustee together with such proof of the fact and date of the execution thereof, and the fact and date of the holding of Bonds by the signers thereof, as may be required by the Trustees under the provisions of Article Eleven hereof.

## ARTICLE SEVENTEEN.

### MISCELLANEOUS PROVISIONS.

SECTION 1. Except as otherwise expressly provided in this Indenture, all coupon Bonds and appurtenant coupons cancelled pursuant to any provisions of this Indenture shall be cremated, subject to such rules and regula-

tions, if any, as may be prescribed by the Interstate Commerce Commission; unless such rules and regulations otherwise require, any such cremation shall be by the Corporate Trustee. Registered Bonds without coupons cancelled pursuant to any provision of this Indenture shall be delivered from time to time to the Company.

SECTION 2. Any moneys received by any Paying Agent under any provision of this Indenture for the payment of the principal of, or the premium, if any, or interest on, the Bonds shall be held in trust for the holders of the Bonds and coupons for the payment of which such moneys were received until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the general funds of the Paying Agent, and the Paying Agent shall not be under any liability for interest on any such moneys, except such as it may agree with the Company to pay thereon.

Upon the request of the Company any moneys held by any Paying Agent or by the Corporate Trustee which shall have been deposited for the payment of the principal of, or the premium, if any, or interest on, any Bonds and which may remain unclaimed by the holders of Bonds or coupons respectively entitled thereto for six years after the date when such moneys were payable shall be repaid by the Paying Agent or the Corporate Trustee, as the case may be, to the Company and any liability of the Paying Agent or the Corporate Trustee with respect to such moneys shall cease upon such repayment and the holders of such Bonds and coupons shall thereafter be entitled to look only to the Company, as the holders of general claims, for the payment thereof, subject to the applicable statute of limitations, *provided, however*, that the Corporate Trustee, before being required to make any such repayment, may, at the expense of the Company, cause notice that such moneys have not been claimed and that after a date speci-



fied therein any unclaimed balance of such moneys then remaining will be repaid to the Company, to be published once each week for four successive weeks in one Qualified Newspaper in the Borough of Manhattan, City and State of New York and one Qualified Newspaper in the City of Baltimore, Maryland.

In no event shall the holders of such Bonds or coupons be entitled to interest upon moneys so deposited, whether remaining with the Paying Agent or the Corporate Trustee or so repaid to the Company.

SECTION 3. No director or officer of the Company shall incur any liability to any holder of any Bond or coupon in respect of any exercise, in good faith, of any discretion conferred on such officer, or on the Board of Directors, under any provision of this Indenture.

The Company will indemnify each officer and director against all costs, expenses and liabilities resulting from, or in connection with, any suit or other legal proceedings instituted against any such officer or director by any holder of any Bond or coupon, including, without limitation, the cost of any settlement of any claim made in any such suit or other proceedings which shall have been approved by the Board of Directors; *provided, however*, that the provisions of this paragraph shall not be applicable unless the Board of Directors, after such investigation as it may deem proper, shall determine that in its opinion the action complained of was taken in good faith and without intention to violate the provisions of this Indenture.

SECTION 4. Nothing in this Indenture expressed or implied is intended or shall be construed to give to any person, firm or corporation other than the parties hereto and the holders of the Bonds and coupons, any legal or equitable right, remedy or claim under or in respect of this

Indenture, or any covenant, condition or provision herein contained, all the covenants, conditions and provisions hereof being and intended to be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and coupons.

SECTION 5. Interest payable to the Trustees or to the Corporate Trustee under any provision of this Indenture shall be at the following rate or rates per annum; so long as there shall be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the current rediscount rate of such Federal Reserve Bank, plus  $1\frac{1}{2}\%$ ; *provided, however*, that such interest shall be not less than  $3\frac{1}{2}\%$  nor more than  $6\%$  per annum; if for any reason there shall cease to be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the rate of  $4\%$  per annum.

SECTION 6. Mercantile Trust Company of Baltimore and Nelson H. Stritehoff, parties of the second part hereto, hereby accept the trusts in this Indenture declared and provided and agree to perform the same upon the terms and conditions herein set forth.

IN WITNESS WHEREOF, SEABOARD AIR LINE RAILROAD COMPANY, the party of the first part, has caused this Indenture to be signed and acknowledged by its President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary; MERCANTILE TRUST COMPANY OF BALTIMORE, one of the parties of the second part, has caused this Indenture to be signed and acknowledged by a Vice-President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of an Assistant Secretary, and NELSON H. STRITEHOFF, one of the parties of the second part, has

hereto set his hand and seal, all as of the first day of  
January, 1946.

SEABOARD AIR LINE RAILROAD COMPANY,

by JOSEPH FRANCE

Vice-President.

[CORPORATE SEAL]

Attest:

TRISTAN ANTELL

Secretary.

Signed, sealed and acknowledged by  
Seaboard Air Line Railroad Com-  
pany in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

MERCANTILE TRUST COMPANY OF BALTIMORE

by A. F. DEMPSEY

Vice-President.

[CORPORATE SEAL]

Attest:

H. I. KEYSER II

Assistant Secretary.

NELSON H. STRITEHOFF

[L. S.]

Signed, sealed and acknowledged by  
Mercantile Trust Company of Bal-  
timore and Nelson H. Stritehoff  
in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Joseph France and Tristan Antell, each to me personally known and personally known to me to be respectively the Vice-President and the Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said Joseph France and Tristan Antell, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said Joseph France resides in the County of Baltimore, State of Maryland, and the said Tristan Antell resides in the County of Kings, State of New York; that the said Joseph France is Vice-President and the said Tristan Antell is Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said Joseph France and Tristan Antell, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said corporation is such corporate seal; that

it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacities as Vice-President and Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that Joseph France and Tristan Antell, whose names as Vice-President and Secretary of Seaboard Air Line Railroad Company, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County and State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY

Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Seaboard Air Line Railroad Company, party of the first part to the above and foregoing instrument, by Joseph France, its Vice-President, execute and deliver the foregoing instrument, and by Tristan Antell, its Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, A. F. Dempsey and H. I. Keyser, II, each to me personally known and personally known to me to be respectively a Vice-President and an Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said A. F. Dempsey and H. I. Keyser, II, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said A. F. Dempsey resides in the City of Baltimore, State of Maryland, and the said H. I. Keyser, II, resides in the County of Baltimore, State of Maryland; that the said A. F. Dempsey is Vice-President and the said H. I. Keyser, II, is Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said A. F. Dempsey and H. I. Keyser, II, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said cor-

poration is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacity as Vice-President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that A. F. Dempsey and H. I. Keyser, II, whose names as Vice-President and Assistant Secretary of Mercantile Trust Company of Baltimore, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County of New York, State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947



STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Mercantile Trust Company of Baltimore, as one of the parties of the second part to the above and foregoing instrument, by A. F. Dempsey its Vice-President, execute and deliver the foregoing instrument, and by H. I. Keyser, II, its Assistant Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My Commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

STATE OF NEW YORK, }  
 COUNTY OF NEW YORK, } ss.

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Nelson H. Stritehoff, one of the parties to the above and foregoing instrument, to me well known as the person described in and who executed the same, whose name as one of the parties is signed thereto, and being informed of the contents thereof, has acknowledged the same before me in my County aforesaid, has acknowledged the due execution of the same, that he did sign, seal and deliver the same of his own free will and accord, and has acknowledged to and before me that he executed the same for the uses and purposes therein named and expressed; and I further certify that Nelson H. Stritehoff, whose name is signed to the writing above bearing date on the 1st day of January, 1946, has acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the County of New York, in said State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY  
 Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
 Notary Public, New York County No. 343, Reg. 429-M-7,  
 Commission expires March 30, 1947

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw the within named Nelson H. Stritehoff, as one of the parties of the second part to the above and foregoing instrument sign, seal and, as his act and deed as such party, deliver the foregoing instrument and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

In the event that two or more such certificates shall be issued in respect of any Bond or Bonds, the certificate bearing the latest date shall be recognized and be deemed to supersede all certificates previously issued with respect to such Bond or Bonds. Neither the person named in any such certificate nor his proxy shall be entitled to vote at any such meeting if (1) another certificate bearing a later date issued in respect of the same Bond shall be produced, (2) the Bond specified in such certificate shall itself be produced at the meeting (or in case such Bond shall have been surrendered in exchange for another coupon Bond pursuant to this Indenture or any supplemental indenture, such other Bond shall be produced), or (3) the Bond specified in such certificate shall then be registered as to principal or shall have been exchanged for a registered Bond pursuant to this Indenture or any supplemental indenture or shall have been converted into stock of the Company.

Registered owners of fully registered Affected Bonds and coupon Affected Bonds registered as to principal may, by proxy duly executed in writing, appoint any person to represent them and vote for them at any such meeting or any adjournment thereof. Each such writing shall state the aggregate principal amount of Bonds regarding which the person authorized thereby is entitled to vote.

SECTION 4. To be entitled to vote at any such meeting a person shall be (a) a holder of a coupon Affected Bond transferable by delivery, (b) a registered owner of a coupon Affected Bond registered as to principal or of a fully registered Affected Bond, or a proxy for such registered owner, or (c) subject to clauses (1), (2) and (3) of Section 3 of this Article Sixteen, the person named in a certificate issued pursuant to said Section 3 or his proxy. The only persons who shall be entitled to be present or to speak at any such meeting shall be the persons entitled to vote thereat and the counsel of any such person and any

representatives of the Trustees and their counsel and any representatives of the Company and its counsel.

Bonds known by the Corporate Trustee to be owned or held by or for the account of the Company or any Affiliated Company, or any corporation or corporations or person owning, directly or indirectly, a majority of the voting stock of the Company, shall not be deemed to be outstanding for any purpose of this Article Sixteen, except that any Bond pledged by the Company, or by any Affiliated Company, or by any such corporation or person, as security for loans or other obligations, otherwise than to another Affiliated Company or to another such corporation or person, shall be deemed to be outstanding for all purposes of this Article Sixteen, if the pledgee is entitled pursuant to the terms of its pledge agreement and is free to exercise in its or his discretion the right to vote such Bonds, uncontrolled by the Company, by any Affiliated Company, or by any such corporation or person.

Bonds of Series A held by the Scrip Agent under the Scrip Agreement referred to in Section 3 of Article Four hereof shall not be deemed to be outstanding for any purpose of this Article Sixteen.

SECTION 5. The representation of a majority in aggregate principal amount of the Affected Bonds, by the persons holding such Bonds or by proxy, shall be necessary to constitute a quorum at any such meeting, but less than a quorum may adjourn the meeting from time to time and from place to place and the meeting may be held as adjourned without further notice, whether such adjournment shall have been had by a quorum or by less than a quorum. The Corporate Trustee shall by instrument in writing appoint a temporary chairman of the meeting, and the meeting shall be organized by the election of a permanent chairman and a secretary. At any meeting the votes of the holders of the Affected Bonds on any election, motion, resolution, or other action shall be counted on the

basis of the principal amount of the Affected Bonds which such holders are respectively entitled to vote.

SECTION 6. At any such meeting at which there shall be a quorum the holders of the Affected Bonds shall have the power by resolution adopted as hereinafter provided:

(a) to authorize the Trustees to join with the Company in making any amendment or repeal of or addition to any provision of this Indenture or any supplement hereto, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds, of all or any series, and appurtenant coupons, under this Indenture or any supplement hereto, *provided, however*, that no modification or repeal of or addition to the provisions of this Indenture or any indenture supplemental hereto shall be effective until approved by resolution of the Board of Directors;

(b) to sanction any compromise of the rights of the holders of the Affected Bonds against the Company or against its property whether such rights shall arise under the provisions of this Indenture or otherwise;

(c) at the request, or with the consent, of the Company to postpone the time of payment of any instalments of interest on any Bonds until any specified fixed or determinable date or until the happening of any specified contingency, but not later, in any case, than January 1, 1996; *provided, however*, that the number of semi-annual interest instalments, the time of payment of which may be so postponed (including any instalments theretofore postponed and not theretofore paid), may not exceed ten such semi-annual instalments;

(d) to require the Trustees on having entered into or taken possession of the trust estate, or any part

thereof, to restore the same to the Company upon such conditions as may be approved at said meeting;

(e) to terminate, either before or after an event of default, the lien of this Indenture or any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and to cause the same to revert to the Company free and clear of the lien hereof, upon such conditions as may be approved at said meeting;

(f) to sanction any plan for the reorganization, re-adjustment or liquidation of the Company, or to designate a reorganization manager or managers;

(g) to authorize the Trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed;

(h) to waive any default on the part of the Company, upon such terms as may be approved at said meeting;

(i) in the event of the unification of the properties of the Company with the properties of any other corporation, to provide for the exclusion of the earnings of such other properties, in whole or in part, in determining Available Net Income, and/or for the determination of Available Net Income without the maintenance of separate accounts, all upon such terms as may be approved at said meeting; and

(j) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture.

The affirmative vote of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) in principal amount of the Affected Bonds at the time outstanding, shall be necessary to the adoption

of any resolution under this Section 6; *provided, however,* (1) that, except to the extent provided in the foregoing subparagraph (c), no such resolution shall alter or impair the obligation of the Company to pay the principal of any Bond or any interest thereon, or shall change the percentage of Bonds required to consent to any amendment, modification or alteration pursuant to this Article Sixteen, and (2) that if the adoption of any such resolution would affect the rights of the holders of the Bonds of any one or more series, but would not affect in the same manner or to the same extent the rights of the holders of the Bonds of any other series, the affirmative vote of holders of sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Bonds of each series at the time outstanding shall also be necessary for the adoption of such resolution.

The Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

SECTION 7. The vote upon any resolution shall be by ballot, and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 2 of this Article Sixteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one



of the duplicates shall be delivered to the Company and the other to the Corporate Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

SECTION 8. Any resolution adopted in accordance with the provisions of Section 6 of this Article Sixteen at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and all Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns. The Trustees shall be bound to give effect to any such resolution.

SECTION 9. Bonds authenticated and delivered after the date of any such meeting may bear a notation in form approved by the Corporate Trustee as to any action taken at any such meeting theretofore held, and upon the demand of the holder of any Affected Bond outstanding at the date of any such meeting and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on such Bond, by endorsement or otherwise, as to any action taken at any such meeting theretofore held. If the Company or the Corporate Trustee shall so determine, new Bonds, so modified as to conform, in the opinion of the Trustees, and the Board of Directors, to any resolution adopted as provided in this Article Sixteen shall be prepared by the Company, authenticated by the Corporate Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds with all coupons not previously

payable, in equal aggregate principal amounts. The Company or the Corporate Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

Indentures supplemental to this Indenture, embodying any modification or repeal of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds and appurtenant coupons, made as provided in this Article Sixteen, may be executed by the Trustees and the Company, and, upon demand of the Corporate Trustee, or if so specified in any resolution adopted at any meeting provided for in this Article Sixteen, shall be executed by the Company and the Trustees.

SECTION 10. Any power exercisable at any meeting convened pursuant to this Article Sixteen may also be exercised by an instrument or instruments signed by the holders of the same percentage of Affected Bonds as would be required for the adoption of a resolution pursuant to Section 6 of this Article Sixteen and delivered to the Corporate Trustee together with such proof of the fact and date of the execution thereof, and the fact and date of the holding of Bonds by the signers thereof, as may be required by the Trustees under the provisions of Article Eleven hereof.

## ARTICLE SEVENTEEN.

### MISCELLANEOUS PROVISIONS.

SECTION 1. Except as otherwise expressly provided in this Indenture, all coupon Bonds and appurtenant coupons cancelled pursuant to any provisions of this Indenture shall be cremated, subject to such rules and regula-

tions, if any, as may be prescribed by the Interstate Commerce Commission; unless such rules and regulations otherwise require, any such cremation shall be by the Corporate Trustee. Registered Bonds without coupons cancelled pursuant to any provision of this Indenture shall be delivered from time to time to the Company.

SECTION 2. Any moneys received by any Paying Agent under any provision of this Indenture for the payment of the principal of, or the premium, if any, or interest on, the Bonds shall be held in trust for the holders of the Bonds and coupons for the payment of which such moneys were received until paid conformably with the provisions of this Indenture, but need not be segregated and may be held as part of the general funds of the Paying Agent, and the Paying Agent shall not be under any liability for interest on any such moneys, except such as it may agree with the Company to pay thereon.

Upon the request of the Company any moneys held by any Paying Agent or by the Corporate Trustee which shall have been deposited for the payment of the principal of, or the premium, if any, or interest on, any Bonds and which may remain unclaimed by the holders of Bonds or coupons respectively entitled thereto for six years after the date when such moneys were payable shall be repaid by the Paying Agent or the Corporate Trustee, as the case may be, to the Company and any liability of the Paying Agent or the Corporate Trustee with respect to such moneys shall cease upon such repayment and the holders of such Bonds and coupons shall thereafter be entitled to look only to the Company, as the holders of general claims, for the payment thereof, subject to the applicable statute of limitations, *provided, however*, that the Corporate Trustee, before being required to make any such repayment, may, at the expense of the Company, cause notice that such moneys have not been claimed and that after a date speci-

fied therein any unclaimed balance of such moneys then remaining will be repaid to the Company, to be published once each week for four successive weeks in one Qualified Newspaper in the Borough of Manhattan, City and State of New York and one Qualified Newspaper in the City of Baltimore, Maryland.

In no event shall the holders of such Bonds or coupons be entitled to interest upon moneys so deposited, whether remaining with the Paying Agent or the Corporate Trustee or so repaid to the Company.

SECTION 3. No director or officer of the Company shall incur any liability to any holder of any Bond or coupon in respect of any exercise, in good faith, of any discretion conferred on such officer, or on the Board of Directors, under any provision of this Indenture.

The Company will indemnify each officer and director against all costs, expenses and liabilities resulting from, or in connection with, any suit or other legal proceedings instituted against any such officer or director by any holder of any Bond or coupon, including, without limitation, the cost of any settlement of any claim made in any such suit or other proceedings which shall have been approved by the Board of Directors; *provided, however*, that the provisions of this paragraph shall not be applicable unless the Board of Directors, after such investigation as it may deem proper, shall determine that in its opinion the action complained of was taken in good faith and without intention to violate the provisions of this Indenture.

SECTION 4. Nothing in this Indenture expressed or implied is intended or shall be construed to give to any person, firm or corporation other than the parties hereto and the holders of the Bonds and coupons, any legal or equitable right, remedy or claim under or in respect of this

Indenture, or any covenant, condition or provision herein contained, all the covenants, conditions and provisions hereof being and intended to be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and of the holders of the Bonds and coupons.

SECTION 5. Interest payable to the Trustees or to the Corporate Trustee under any provision of this Indenture shall be at the following rate or rates per annum; so long as there shall be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the current rediscount rate of such Federal Reserve Bank, plus  $1\frac{1}{2}\%$ ; *provided, however*, that such interest shall be not less than  $3\frac{1}{2}\%$  nor more than  $6\%$  per annum; if for any reason there shall cease to be a rediscount rate of the Federal Reserve Bank in the New York District, such interest shall be at the rate of  $4\%$  per annum.

SECTION 6. Mercantile Trust Company of Baltimore and Nelson H. Stritehoff, parties of the second part hereto, hereby accept the trusts in this Indenture declared and provided and agree to perform the same upon the terms and conditions herein set forth.

IN WITNESS WHEREOF, SEABOARD AIR LINE RAILROAD COMPANY, the party of the first part, has caused this Indenture to be signed and acknowledged by its President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary; MERCANTILE TRUST COMPANY OF BALTIMORE, one of the parties of the second part, has caused this Indenture to be signed and acknowledged by a Vice-President, and its corporate seal to be affixed hereunto and the same to be attested by the signature of an Assistant Secretary, and NELSON H. STRITEHOFF, one of the parties of the second part, has

hereto set his hand and seal, all as of the first day of  
January, 1946.

SEABOARD AIR LINE RAILROAD COMPANY,

by JOSEPH FRANCE

Vice-President.

[CORPORATE SEAL]

Attest:

TRISTAN ANTELL

Secretary.

Signed, sealed and acknowledged by  
Seaboard Air Line Railroad Com-  
pany in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

MERCANTILE TRUST COMPANY OF BALTIMORE

by A. F. DEMPSEY

Vice-President.

[CORPORATE SEAL]

Attest:

H. I. KEYSER II

Assistant Secretary.

NELSON H. STRITEHOFF

[L. S.]

Signed, sealed and acknowledged by  
Mercantile Trust Company of Bal-  
timore and Nelson H. Stritehoff  
in the presence of:

W. H. WALLACE, JR.

BARBARA BOYDEN

Attesting Witnesses

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Joseph France and Tristan Antell, each to me personally known and personally known to me to be respectively the Vice-President and the Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said Joseph France and Tristan Antell, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said Joseph France resides in the County of Baltimore, State of Maryland, and the said Tristan Antell resides in the County of Kings, State of New York; that the said Joseph France is Vice-President and the said Tristan Antell is Secretary of Seaboard Air Line Railroad Company, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said Joseph France and Tristan Antell, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said corporation is such corporate seal; that

it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacities as Vice-President and Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that Joseph France and Tristan Antell, whose names as Vice-President and Secretary of Seaboard Air Line Railroad Company, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County and State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY

Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947



STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Seaboard Air Line Railroad Company, party of the first part to the above and foregoing instrument, by Joseph France, its Vice-President, execute and deliver the foregoing instrument, and by Tristan Antell, its Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
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STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, A. F. Dempsey and H. I. Keyser, II, each to me personally known and personally known to me to be respectively a Vice-President and an Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing and known to me to be the identical persons who subscribed their names to and who executed said instrument as such Vice-President and Assistant Secretary, respectively, in my presence and in the presence of the two witnesses whose names are thereunto subscribed as such and the said A. F. Dempsey and H. I. Keyser, II, being by me severally duly sworn, did, on oath, each for himself and not one for the other, severally depose and say, and acknowledge before me on this day in the presence of said witnesses; that the said A. F. Dempsey resides in the City of Baltimore, State of Maryland, and the said H. I. Keyser, II, resides in the County of Baltimore, State of Maryland; that the said A. F. Dempsey is Vice-President and the said H. I. Keyser, II, is Assistant Secretary of Mercantile Trust Company of Baltimore, the corporation described in and which executed the within and foregoing instrument in writing; that they, the said A. F. Dempsey and H. I. Keyser, II, respectively, know the true corporate seal of said corporation; that the seal affixed to the said instrument as the seal of said cor-

poration is such corporate seal; that it was so affixed thereto by order and authority of the Board of Directors of said corporation and that they and each of them, being informed of and knowing the contents of the foregoing instrument, signed their names and the name of said corporation to the foregoing instrument and affixed said corporate seal to the same in their respective capacity as Vice-President and Assistant Secretary in behalf of said corporation by like order and authority; that they signed, sealed, executed and delivered the said instrument as their own free and voluntary act and deed and as such officers, and with full authority, executed the same voluntarily and as the free and voluntary act and deed of said corporation for the consideration, objects, uses and purposes therein stated and set forth, and they severally duly acknowledged said instrument to be the free act and deed of said corporation; and I do further certify that A. F. Dempsey and H. I. Keyser, II, whose names as Vice-President and Assistant Secretary of Mercantile Trust Company of Baltimore, a corporation, are signed to the writing above, bearing date on the 1st day of January, 1946, have this day acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and subscribed my name and affixed my official seal as such Notary Public in said County of New York, State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY

Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
Notary Public, New York County No. 343, Reg. 429-M-7,  
Commission expires March 30, 1947

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw Mercantile Trust Company of Baltimore, as one of the parties of the second part to the above and foregoing instrument, by A. F. Dempsey its Vice-President, execute and deliver the foregoing instrument, and by H. I. Keyser, II, its Assistant Secretary, affix and attest the seal of the corporation thereto, and by its said officers, known to him to be such officers of said corporation respectively, as and for its act and deed, deliver the same; and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My Commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948

STATE OF NEW YORK, }  
 COUNTY OF NEW YORK, } ss.

I, Florence S. Murphy, a Notary Public, in and for the County and State aforesaid, residing therein, duly commissioned, sworn and qualified as such, and duly authorized to take and certify acknowledgments and proofs of deeds and conveyances of lands, tenements and hereditaments in said County, do hereby certify that on the 30th day of July, 1946, personally appeared before me within said County and in the presence of the two witnesses whose names are subscribed as such to the within and foregoing instrument, Nelson H. Stritehoff, one of the parties to the above and foregoing instrument, to me well known as the person described in and who executed the same, whose name as one of the parties is signed thereto, and being informed of the contents thereof, has acknowledged the same before me in my County aforesaid, has acknowledged the due execution of the same, that he did sign, seal and deliver the same of his own free will and accord, and has acknowledged to and before me that he executed the same for the uses and purposes therein named and expressed; and I further certify that Nelson H. Stritehoff, whose name is signed to the writing above bearing date on the 1st day of January, 1946, has acknowledged the same before me in my County aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the County of New York, in said State of New York, this 30th day of July, 1946.

FLORENCE S. MURPHY  
 Notary Public

My commission expires: Mar 30 1947

[NOTARIAL SEAL]

FLORENCE S. MURPHY  
 Notary Public, New York County No. 343, Reg. 429-M-7,  
 Commission expires March 30, 1947

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

Personally appeared before me W. H. Wallace, Jr., who, being duly sworn, says that he saw the within named Nelson H. Stritehoff, as one of the parties of the second part to the above and foregoing instrument sign, seal and, as his act and deed as such party, deliver the foregoing instrument and that he, with Barbara Boyden, witnessed the execution thereof.

W. H. WALLACE, JR.

Sworn to and subscribed before  
me this 30th day of July, 1946.

WM. J. BURNHAM  
Notary Public for the County  
of New York, in the State of  
New York.

My commission expires: Mar 30 1948

[NOTARIAL SEAL]

WM. J. BURNHAM  
Notary Public, Westchester County  
Certificates filed in New York County  
Clerk's No. 1046, Register's No. 543-B-8  
Commission expires March 30, 1948